United Nations

Executive Board of the United Nations Development Programme/United Nations Population Fund

Report of the Executive Board on its work during 2002

Economic and Social Council
Official Records, 2002
Supplement No. 15

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Note

Symbols of United Nations documents are composed of capital letters combined with figures.

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Contents

Chapter		*Page*
	Part one. First regular session	
I.	Organizational matters	2
	UNFPA segment	4
II.	UNDP Business Plans, 2000-2003	4
III.	Country cooperation frameworks and related matters	5
IV.	UNAIDS	7
V.	Special funds and programmes	9
VI.	Evaluation	11
	Joint UNDP/UNFPA segment	19
VII.	Recommendations of the Board of Auditors, 1998-1999	19
VIII.	Reports to the Economic and Social Council	20
	UNFPA segment	25
IX.	Technical Advisory Programme	28
X.	Country programmes and related matters	31
XI.	Other matters	37
	Joint session of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP	40
	Part two. Annual session	
I.	Organizational matters	56
	UNFPA segment	56
II.	Report of the Executive Director for 2001	56
III.	Funding commitments to UNFPA	66
IV.	UNFPA and sector-wide approaches	68
V.	Evaluation	72
VI.	Country programmes and related matters	75
	UNDP/UNFPA segment	84
VII.	Internal audit and oversight	84
VIII.	Reports on field visits	88

	UNDP segment	89
IX.	Annual report of the Administrator for 2001, including the results-oriented annual report	89
X.	United Nations Capital Development Fund	92
XI.	Funding commitments	93
XII.	Programming arrangements	94
XIII.	Country programmes and related matters	95
XIV.	United Nations Volunteers	96
XV. XVI. VII.	United Nations Office for Project Services UNDP-UNOPS relationship Internal audit and oversight (UNOPS)	98
XVII.	Other matters	99
	Part three. Second regular session	
I.	Organizational matters	102
	UNDP segment	102
II.	Financial, budgetary and administrative matters	102
III.	Programming arrangements	104
IV.	Evaluation	105
V.	Country programmes and related matters	107
VI.	United Nations Development Fund for Women	110
VII.	UNOPS: Financial, budgetary and administrative matters	111
	Joint UNDP/UNFPA segment	113
VIII.	Reports on field visits	113
	UNFPA segment	116
IX. X.	Financial, budgetary and administrative matters Human resources strategy	116
XI.	Country programmes and related matters	125
XII.	Other matters	131
Annexes		
I.	Decisions adopted by the Executive Board during 2002	133
II.	Membership of the Executive Board in 2002	170

Part one
First regular session

Held at United Nations Headquarters in New York from 28 January to 8 February 2002

I. Organizational matters

1. The first regular session 2002 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 28 January to 5 February 2002. It was preceded by the joint meeting of the Executive Boards of UNDP/UNFPA and the United Nations Children's Fund (UNICEF) with the participation of the World Food Programme (WFP) on 25 January 2002.

2. The Executive Board elected the following members of the Bureau for 2002:

President:	H.E. Mr. Dirk Jan van den Berg	(Netherlands)
Vice-President:	H.E. Ms. Noemí Espinoza Madrid	(Honduras)
Vice-President:	Mr. Hazem Fahmy	(Egypt)
Vice-President:	Mr. Bali Moniaga	(Indonesia)
Vice-President:	Dr. Jana Simonová	(Czech Republic)

3. The President of the Executive Board made an opening statement in which he thanked members for having elected him as the President of the Board for 2002. He looked forward to engaging the Board in constructive dialogue with the Administrator of UNDP and the Executive Director of UNFPA on ways and means to improve the effectiveness and efficiency of their work.

4. He stressed the necessity to incorporate lessons learned and felt that the Board, as a partner of the United Nations organizations, could ensure that lessons were also learned at the donor and agency levels. He also noted the tremendous sense of urgency concerning the debate on aid effectiveness in donor countries where people were concerned about real and sustainable results on poverty reduction.

5. The President observed that aid could only work when the right policy environment prevailed. The quality of national governance remained the single most important factor and key to, inter alia, security, empowerment, access to opportunities and assets. He stressed that donors should also demonstrate accountability, abandon isolated projects, harmonize procedures, pool resources and make long-term commitments. The United Nations also needed to harmonize and simplify its procedures and pay particular attention to the development of capacities at the national level.

6. Regarding ownership and the local context, the President stated that the Millennium development goals (MDGs) needed to be converted into individual country targets. Each country should draw up its own plan according to its own specific conditions with the participation of local government and civil society organizations (CSOs). In that regard, he commended the progress made with the common country assessment (CCA), the United Nations Development Assistance Framework (UNDAF) and the poverty reduction strategy papers (PRSP).

7. He concluded by stressing the importance of coherence at the national and international levels in poverty-reduction activities. Coherence could be pursued within development policy, via foreign policy in general, through interdepartmental collaboration and the international policies of institutions and organizations such as the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO) and the United Nations. The Executive Board had its specific responsibility in the area of international coherence. He observed that there was increasing international consensus on how and why UNDP should work towards poverty reduction as reflected in the MDGs and called on the Executive Board to put words into deeds.

8. The Executive Board approved the agenda and work plan for its first regular session 2002 (DP/2002/L1 and Corr.1 and 2), as orally amended.

9. The Executive Board approved the report of the annual session 2001 (DP/2001/20).

10. The Executive Board approved the report of the second regular session 2001 (DP/2002/1).

11. The Executive Board approved its annual work plan for 2002 (DP/2002/CRP.1).

12. The Executive Board agreed to the following schedule of future sessions of the Executive Board in 2002:

Annual session 2002: 17 to 28 June 2002 (Geneva);
Second regular session 2002: 23 to 27 September 2002.

UNDP segment

II. UNDP Business Plans, 2000-2003

13. In his introductory statement, the Administrator reviewed the opportunities that the adoption of the Millennium development goals (MDGs) — and the upcoming International Conference on Financing for Development, to be held in March 2002 in Monterrey, Mexico, and the World Summit on Sustainable Development, to be held in August and September 2002 in Johannesburg — presented for UNDP to position its work against poverty in a broader global context. He also reported on the role of UNDP in Afghanistan and the challenges ahead in the recovery and reconstruction effort.

14. The Administrator introduced the update on the UNDP Business Plans, 2000-2003 (DP/2002/CRP.2) and the update on the role of UNDP in crisis and post-conflict situations: organizational changes (DP/2002/CRP.3). He outlined the tremendous progress that had been achieved in the implementation of the Business Plans and stressed the commitment of UNDP to improving overall performance with a view to helping programme countries to build the capacities needed to bring about sustainable development.

15. The delegations highly commended the Administrator and staff for the achievements recorded in 2001 and underscored the comparative advantage of UNDP in the recovery and reconstruction effort in Afghanistan. In that regard, they endorsed the creation of the Bureau for Crisis Prevention and Recovery and the appointment of the Director at the Assistant Administrator level. Several delegations, however, regretted that the consultation process leading to the appointment had not been adequate. Other delegations advised that it was necessary to avoid creating an imbalance in UNDP priorities in favour of Afghanistan.

16. With respect to the update of the Business Plans, delegations noted and welcomed the increased level of staff satisfaction as contained in the preliminary results of the survey. The staff response represented a clear indication that the somewhat painful reform of the past two years had begun to produce positive results. In that regard, they underscored the positive impact of the decentralization and re-profiling of country offices as proof that the reform process was influencing the ability of UNDP to perform as envisaged in the Business Plans. Several delegations called on UNDP to play a special role, as appropriate, in matters relating to global public goods.

17. Delegations reaffirmed that regular (core) resources remained the bedrock of the organization's activities and called for an increase in core funding. One delegation warned of the potential danger of replacing country-driven programming with donor-driven programming through the use of thematic trust funds (TTFs). Another delegation requested a report on the management of TTFs and stressed the need to use non-core resources in a constructive, systematic manner.

18. Discussion on partnerships focused on long-term plans for partnership surveys and the need to demonstrate real, substantive development results from strengthened partnerships.

19. Many delegations welcomed the heightened focus on the six practice areas and the development of knowledge networks. For easy reference to previous years, delegations requested that future updates of Business Plans on the impact of the reform process should include tables showing actual results and planned actions.

20. In response, UNDP officials concurred that future updates would provide more information, including supporting tables on the implementation of the Business Plans. They suggested that UNDP make a presentation on the balance scorecard system to the Executive Board and provide a web-link to its members. They agreed that a report on the management of TTFs would be presented to the Executive Board and decided to provide more information on the partnership survey, which would be extended to 30 countries in 2002.

21. The Executive Board took note of the update on the Business Plans, 2000-2003 (DP/2002/CRP.2).

22. The Executive Board took note of the update on the role of UNDP in crisis and post-conflict situations: organizational changes (DP/2002/CRP.3)

III. Country cooperation frameworks and related matters

Second regional cooperation framework for Africa

23. The Director, Regional Bureau for Africa (RBA), introduced the second regional cooperation framework (RCF) for Africa, 2002-2006 (DP/RCF/RBA/2), noting that it was the result of a careful process of research and consultations with major stakeholders. Accordingly, the framework was in line with the priorities in the New Partnership for Africa's Development (NEPAD) and the UNDP global cooperation framework (GCF). The RCF focused specifically on strengthening democratic and participatory governance; making globalization work for Africa; prioritizing conflict prevention, peace-building and disaster management; and reducing the HIV/AIDS threat in Africa. The RCF had a budget of $100 million from regular resources while $70 million was expected from non-core sources.

24. Delegations commended RBA on the quality, relevance and focus of the RCF and the consultation process. They also endorsed RBA assistance to Africa in its transition from the Organization of African Unity (OAU) to the African Union.

25. Delegations, however, expressed concern and sought clarifications regarding limited resources in relation to the scope of the challenges; consultations with the Friends of the Organization of African Unity (OAU) (a consortium of donors supporting OAU); the issue of access to HIV/AIDS drugs and future RBA consultations with bilateral partners.

26. In response, the Director observed that each of the focus areas in the framework contained its own resource mobilization and partnership strategy and the $70 million from non-core sources was only an indicative figure.

27. He reported that a new round of consultations with partners, including those that were bilateral, would be undertaken shortly as part of the programming exercise. He further reported that consultations with the Friends of OAU had already taken place in Addis Ababa as part of preparations for the RCF. He concluded by observing that during the implementation of the RCF, the negotiating capacity of OAU with pharmaceutical companies would be strengthened.

28. The Executive Board approved the second regional framework for Africa, 2002-2006 (DP/RCF/RBA/2).

Second regional cooperation framework for Latin America and the Caribbean

29. The Director, Regional Bureau for Latin America and the Caribbean, introduced the second regional cooperation framework for Latin America and the Caribbean region, 2001-2005 (DP/RCF/RLA/2). She noted that it was prepared in close consultation with Governments and other stakeholders and complied with regional priorities on poverty reduction and inequality, democratic governance, energy and climate change with cross-cutting themes of gender and development, information and communication technology and human development at the local level. She noted that $16 million had been allocated from regular resources. Another $40 million would be mobilized from non-core resources. The Director stressed that the programme would be implemented in partnership with many stakeholders from inside and outside of the region, as had been done during the first RCF.

30. Delegations concurred that the focus areas in the document were in line with regional priorities and the UNDP Business Plans. They expressed concern, however, at the decline in the level of resources for the programme and sought information on a strategy to mobilize additional resources. They also requested that UNDP report on the impact on the programme of the reduction in core resources to the Executive Board at its annual session 2002. The Director agreed to comply with the two requests.

31. Regarding corruption, the Director informed the Executive Board that other development partners were providing support in that area. She reported, however, that UNDP had provided assistance to Governments upon request under the first RCF.

32. The Executive Board approved the second regional framework for Latin America and the Caribbean, 2001-2005 (DP/RCF/RLA/2).

Regional cooperation framework for the Arab States

33. The Director, Regional Bureau for the Arab States, introduced the second regional cooperation framework for the Arab States, 2002-2005 (DP/RCF/RAS/2). She reported that the RCF was the result of extensive consultations and stressed that the three focus areas — globalization, governance and knowledge — represented the real needs of the region. The Director underlined the results-orientation of planned activities, their demand-driven nature and their mutually reinforcing effects as well as the importance of developing strong substantive and financial partnerships in developing initiatives. The RCF had a total budget of $33 million.

34. Delegations expressed satisfaction with the RCF and the introductory remarks of the Director. Several delegations commended the launching of the Arab human development report and the participatory approach used in the preparation of the RCF. The three focus areas were endorsed. Some clarifications, however, were sought about human security and HIV/AIDS. In addition, delegations noted that the education (knowledge) pillar was markedly well developed.

35. In her response, the Director noted that in the RCF human security referred to the net result of human development. She explained that HIV/AIDS did not affect the Arab States to the same degree as in other regions but that that was no grounds for complacency. She instanced several CCFs in the region where the issue was being addressed comprehensively.

36. The Executive Board approved the second regional cooperation framework for the Arab States, 2002-2005 (DP/RCF/RAS/2).

Country cooperation frameworks

37. The Executive Board approved 25 new country cooperation frameworks (CCFs) and took note of the extensions of 14 ongoing CCFs (DP/2002/8) on a no-objection basis. The Board also approved an independence bonus for Yugoslavia (see decision 2002/4 in the annex to the present report).

IV. UNAIDS

38. The acting Director of the Bureau for Development Policy (BDP) introduced the report on UNDP contributions towards reversing the HIV/AIDS epidemic in the context of the United Nations system strategic plan for HIV/AIDS for 2001-2005 (DP/2002/3). He reported that HIV/AIDS was a top priority for UNDP and one of its six main practice areas. As one of eight co-sponsors of the Joint United Nations Programme on HIV/AIDS (UNAIDS), UNDP focused on creating an enabling policy, legislative and resource environment for an effective response to HIV/AIDS. UNDP therefore helped countries to address the governance challenge of planning, coordinating and implementing a multisectoral response to the epidemic, focusing on five specific services offered to programme countries: advocacy and policy dialogue; capacity development; mainstreaming HIV/AIDS with development planning; human rights and multi-media information services.

39. The Principal Advisor and Team Leader on HIV/AIDS, BDP, stressed the need for unprecedented social and political mobilization across all sectors, the centrality of changing attitudes and norms about HIV/AIDS, gender relations and the rights of people affected by the epidemic.

40. The Director of UNAIDS in New York stated that the epidemic required the unprecedented mobilization of the entire United Nations system in support of national responses to HIV/AIDS. He appreciated the links between the UNDP programme, the overall goals of the United Nations system strategic plan, the Declaration of Commitment of the United Nations General Assembly Special Session on HIV/AIDS, the Millennium development goals and the key role of UNDP in promoting a coordinated United Nations response at the country level through the resident coordinator system.

41. Delegations endorsed the new strategic direction of UNDP and the five specific areas of services outlined in document DP/2002/3. Several delegations stated that the new strategy was in line with the overall mandate and comparative advantage of UNDP in the areas of governance, coordination and capacity development and emphasized the organization's key role in supporting the multisectoral response to the epidemic.

42. One delegation regretted that the issue of HIV/AIDS had been absent in preparations for the International Conference on Financing for Development to be held in March 2002 in Monterrey, Mexico. It was suggested that HIV/AIDS issues should be taken up at the forthcoming World Summit for Sustainable Development to be held in August and September 2002 in Johannesburg.

43. Delegations concurred that UNDP should mobilize additional resources to implement its strategy, referring to the newly established thematic trust fund on HIV/AIDS.

44. Several delegations sought information on: (a) the involvement of UNDP in the Global Fund to Fight AIDS, Tuberculosis and Malaria; (b) plans for capacity

development within UNDP to implement the new strategy; (c) what quantitative and qualitative indicators would be used; (d) plans to address the issues of gender, sexual relationship and factors that make people vulnerable to infection; (e) the organization's personnel policy on HIV/AIDS; and (f) the respective roles of the UNAIDS secretariat and UNAIDS co-sponsors at the country level.

45. Some delegations expressed concern about a textual reference to international guidelines on HIV/AIDS and human rights, which had not been endorsed by any intergovernmental process and which could be contrary to the laws and religious ethos of some countries. Accordingly, they urged that UNDP strategy should be implemented in compliance with the Declaration of Commitment adopted by the United Nations General Assembly Special Session on HIV/AIDS in June 2000.

46. In response to a question on the relationship between the HIV/AIDS strategy of UNDP and the new Global Fund to Fight AIDS, Tuberculosis and Malaria, the acting Director said that UNDP had played an important role in its development and would continue to play a pivotal role in its implementation through capacity-building at the country level that would benefit the submission of good proposals to the Fund. He also explained that the AIDS unified budget and work plan covered only the global and regional activities of UNAIDS co-sponsors. While resources had to be mobilized separately for country-level programmes, the UNDP-specific thematic trust fund on HIV/AIDS had been launched and had already attracted $10.4 million in pledges despite the fact that UNDP efforts to mobilize resources for that fund had yet to begin.

47. The acting Director also reported on the personnel policy of UNDP on HIV/AIDS, stating that all regular national and international staff had insurance that covered antiretroviral treatment regardless of the duty station. UNDP also provided awareness-raising sessions and prevention services to staff, with special attention to personnel working in highly affected countries.

48. On the question of international guidelines for HIV/AIDS and human rights, he agreed that such references could lead to unintended controversy. He assured the Executive Board that UNDP strategy would be implemented in compliance with the Declaration of Commitment.

49. Regarding UNDP work on gender and HIV/AIDS, the Principal Advisor and Team Leader on HIV/AIDS explained that UNDP, in partnership with UNFPA, the United Nations Development Fund for Women (UNIFEM) and other United Nations organizations would promote a gender-sensitive approach to HIV/AIDS at the global and national level. The role of young men in stopping the spread of HIV would be stressed.

50. With regard to monitoring progress in implementing the HIV/AIDS strategy of UNDP, the Principal Advisor emphasized that special attention would be devoted to the importance of qualitative and quantitative indictors to measure achievements.

51. The Resident Representative and Resident Coordinator in Burkina Faso summarized the role of UNDP at the country level as addressing the challenges of HIV/AIDS, focusing on upstream policy advice and promoting a new level of political leadership in tackling the epidemic. He added that an expanded theme group on HIV/AIDS had been established to coordinate United Nations system and donor support, a round-table meeting had been organized and $95 million had been mobilized for the implementation of the national strategy. A national human development report on HIV/AIDS had been launched as a crucial tool for policy-

making and for the integration of HIV/AIDS priorities in the national poverty-reduction strategy.

52. The Executive Board adopted decision 2002/1 (see annex I).

V. Special funds and programmes

53. Report on UNDP activities financed by the Global Environment Facility and the Montreal Protocol

54. The Associate Administrator stated that the Global Environment Facility (GEF) and the Montreal Protocol were two of the largest UNDP trust funds with a total of $1.58 billion in grants and $2.2 billion in co-financing. UNDP had played a key role in providing technical cooperation, capacity development, policy and legislative advice and technology transfer to developing countries.

55. The GEF Executive Coordinator, also Deputy Leader, Environmentally Sustainable Development Group (ESDG), Bureau of Development Policy (BDP), introduced the report on UNDP activities financed by the GEF and the Montreal Protocol (DP/2002/4).

Global Environment Facility

56. Within the GEF, UNDP implemented projects in the areas of biodiversity, climate change, international waters and ozone layer protection, with two new focal areas in land degradation and persistent organic pollutants that were likely to be added in the course of 2002. The cumulative UNDP-GEF portfolio was $1.23 billion with co-financing of $2 billion. Allocations in 2002 were expected to reach $150 million (grants) and $237 million (co-financing). UNDP had surpassed the targets set out in its Business Plans and its share stood at 34 per cent of total GEF allocations. UNDP-GEF activities focused on providing technical cooperation, with a key focus on capacity development, the creation of an enabling policy and legislative environment, and the mobilization of additional resources to address global environmental threats. UNDP had also been implementing GEF corporate programmes, namely, the Small Grants Programme, the country dialogue workshops and the Climate Change National Communications Support Programme. Independent evaluations had commended UNDP performance under the GEF.

57. The Executive Coordinator reported that during the third GEF replenishment period (2003-2006), UNDP hoped for a significant increase in its resources so that funding for land degradation and persistent organic pollutants would not reduce funds for climate change, biodiversity and international waters activities. Over the subsequent years, UNDP would have more projects than available funds.

Montreal Protocol

58. UNDP was one of four implementing organizations established under the Multilateral Fund of the Montreal Protocol and its cumulative $350 million programme supported activities in 78 countries to eliminate the use of ozone-depleting substances. Over 25 000 tonnes of the substances had already been eliminated over the previous decade through UNDP assistance. UNDP also worked closely with the private sector and had assisted over 800 small- and medium-sized enterprises to convert their processes, thereby protecting existing jobs and creating new ones. Over 300 000 farmers were being assisted in their efforts to eliminate

methyl bromide, a pesticide which also harmed the ozone layer without compromising yields. Assistance in capacity-building had been provided to 22 countries so that Governments could develop appropriate policies and procedures to meet Montreal Protocol compliance targets. Those programmes were fully funded through support costs from approved projects and country offices were compensated for their services.

59. Changing implementation modalities under the fifth replenishment programme (2003-2005), which focused on national and sectoral plans, would have support-cost implications for implementing agencies, including UNDP. Strong country office support to Governments would accordingly be essential so that Governments could develop appropriate policies and legislation for the success of the programmes.

60. The Chief Officer of the Multilateral Fund secretariat (MLF) informed the Executive Board of the changing roles and responsibilities of stakeholders, including UNDP. He further observed that $1.4 billion had been mobilized since the establishment of the Multilateral Fund in 1990 and that UNDP had played a major role in that commendable effort. He added that UNDP had adapted quickly from providing technical cooperation to being a major player in investment projects in the industrial sector. Under the new strategic-planning framework, UNDP would need to focus more on playing a policy advisory role, helping countries with their compliance strategies under performance-based national and sectoral plans, which would increasingly be approved.

61. Delegations commended UNDP for its success under both the GEF and Montreal Protocol programmes. Under the GEF, several delegations stressed their support for the introduction of land degradation as a new GEF focal area and the importance of UNDP involvement in that new focal area, especially where it concerned least developed countries. In that regard, questions were raised on the capacity of UNDP to respond adequately, especially given the move of staff to the field. Several delegations stated that adequate replenishment of the GEF was a necessity and that capacity development was of key importance to many countries. Questions were raised on the extent to which UNDP could contribute its own core resources to GEF programmes. Delegations also expressed support for the good work that was done by the Small Grants Programme and the country dialogue workshops.

62. Several delegations stressed the importance of support under the Montreal Protocol programme, especially with regard to small- and medium-sized enterprises. The United Nations Office for Project Services (UNOPS) was also commended for its services. Concern was expressed, however, over the possibility of an increase in costs and workload at the country office and headquarters levels.

63. In response, the acting Director, BDP, stated that the move of staff from headquarters to the field had actually strengthened the capabilities of UNDP and would directly contribute to greater effectiveness of UNDP activities under land degradation. He cautioned that with a lower level of core resources, UNDP co-financing from its own resources could not be expected to increase. He reiterated that both the GEF and Montreal Protocol programmes did not depend on core funds and that country offices were compensated for their services. He stressed that possible additional support resulting from a change in the fee structure of the Montreal Protocol would enable more outposted capacity at the regional and/or country levels and that there were no plans to increase staff levels at headquarters.

64. The Executive Coordinator, GEF, stated that UNDP-GEF already had several land-degradation projects approved in the areas of biodiversity and climate change. Additional funding for land degradation, however, would depend on the size of the GEF-3 replenishment period, which would also determine the length of project backlog and resources that could be devoted to capacity development. The Executive Coordinator highlighted the efforts that were being made by UNDP to increase third-party co-financing under the GEF.

65. In conclusion, the President of the Board commended UNDP for its performance under the GEF and Montreal Protocol trust funds.

66. The Executive Board took note of the report on UNDP activities financed by the Global Environment Facility and the Montreal Protocol (DP/2000/4).

VI. Evaluation

Annual report of the Administrator on evaluation

67. The Administrator introduced his annual report on evaluation (DP/2001/26). He noted with interest that there was growing demand for evaluation and results-based management (RBM), in particular outside UNDP. Evaluation, as a consequence, needed to inform internal management on a more real-time basis. He noted further that the development effectiveness report (DER) presented current lessons for UNDP work and that the Evaluation Office was working closely with the Operations Support Group (OSG) and the Office for Audit and Performance Review on a common approach to integrating lessons learned. Resident representatives could therefore benefit from a global view of such issues in country offices. He confirmed that strengthening evaluation skills was a major focus of UNDP, particularly regarding results achieved at the country level, and that the quality and independence of the evaluation function were being maintained. He observed that the evaluation function had made a positive contribution to enhancing the results-driven orientation of UNDP.

68. The Director of the Evaluation Office noted that the primary challenge for the Evaluation Office was to embed the evaluation function within the organization and to make empirical evidence an increasing requirement for management decisions and for the enhancement of the quality of programmes. He reported on several areas of progress, including increased demand by country offices for empirical evidence and lessons learned, a comprehensive revamping of monitoring and evaluation approaches, a new web-based tracking and compliance package and a closer link between corporate priorities and strategic evaluations. He also reported on the challenges relating to development effectiveness. The formation of the International Development Evaluation Association (IDEAS), in partnership with the World Bank, constituted a key effort in strengthening evaluative capacities in the developing world, which in turn would encourage national ownership of development performance assessments.

69. Delegations expressed full appreciation for the high quality of the report, the introductory statements and the progress contained therein. The establishment of IDEAS and its intended contribution to strengthening evaluation capacity in programme countries were appreciated.

70. Several delegations complimented the expanded RBM process and the strengthened results-orientation of country programmes and selected country reviews. They suggested that UNDP plan more activities in collaboration with other

development partners. Clarifications were sought on the extent to which evaluation lessons were implemented; progress on the tracking system; timely handling of findings and recommendations; the effectiveness of the ROAR in allocating resources to meet the Millennium development goals; and the extent to which the Inter-agency Working Group on evaluation had been transformed into an effective body for promoting lessons learned and the peer view process.

71. One delegation emphasized the need for a high-quality product and stressed its importance at the design stage. He requested for more state and non-state participation at an early stage.

72. Several delegations observed that evaluation was a strategic tool for enhancing development effectiveness. They sought clarification on how evaluation findings were fed into the programming process; difficulties in developing indicators for intervention in practice areas such as governance; attribution of results where several partners were involved; how to track programme impact in the short term and how to reconcile the demands for short-term results with long-term interventions. There was strong support for capacity development in programme countries. Although country-level impact assessments had just begun, it was felt that the assessment exercise should be extended to other United Nations organizations through the UNDAF process. Satisfaction was expressed on the degree of partnership and joint collaboration between the Evaluation Office and a number of bilateral and multilateral partners.

73. The implications of inadequate donor funding for least developed countries and the impact of reducing UNDP staff in Africa were raised. It was stressed that capacity-building was key to meeting the Millennium development goals (MDGs) in a sustainable manner. While appreciating the joint collaboration of UNDP with other partners in the evaluation exercise, it was recommended that the independence of the Evaluation Office in UNDP should be maintained.

74. While appreciating the increasing demand for evaluation with respect to RBM, several delegations expressed interest in knowing more about the methodology of country-level impact assessment, the use of the central evaluation database (CEDAB) and the new tracking system. They urged that further improvements in the evaluation methodology be undertaken, including the assessment of sustainable development in programme countries.

75. The Director of the Evaluation Office responded to the issues raised. On the new tracking system, he said that it had been introduced at the end of 2001. Regarding CEDAB, he replied that the Office was in the process of testing a methodology to ensure its effectiveness while the country level impact assessment (CLIA) was being piloted to determine what methodology to use in assessing development impact. He added that CLIA provided feedback on how UNDP was undertaking country evaluations. He concluded by observing that balancing long-term interventions with short-term results focused on measuring results for which a methodology needed to be established.

76. The President of the Executive Board summarized the debate. He underscored the importance of the evaluation exercise and the interest expressed by delegations in the RBM approach, the new tracking system, the independence of the Evaluation Office, the importance of a multi-agency approach to evaluation efforts and to development effectiveness and the collective development of an appropriate evaluation methodology.

77. The Executive Board took note of the annual report of the Administrator on evaluation (DP/2001/26).

Evaluation of non-core funding resources

78. The Director of the Evaluation Office introduced the report on the evaluation of non-core funding (DP/2001/CRP.12), focusing on findings and recommendations. In his statement, the Associate Administrator observed that the report presented a thoughtful and useful basis for dialogue within and outside of UNDP. He reported that a favourable environment had developed towards expanding interest in non-core funding. He added that a funding strategy for non-core resources was being created for the least developed countries.

79. Delegations expressed satisfaction with the report and the introductions. They raised concerns and sought clarifications, however, about the imbalance between core and non-core resources, the inequitable distribution among regions and the lack of adequate data from country offices on cost recovery. Further issues of concern included how to verify the impact of non-core resources and their influence on indebtedness and the reduction in official development assistance. With regard to core resources, some delegations expressed the need for a standardized accounting procedure, national ownership, and inequitable allocation of non-core resources, with the poorest countries receiving the lowest non-core funds, whether or not thematic funds would mobilize sufficient resources to meet development needs.

80. Some delegations suggested that a study should be conducted on the relationship between core and non-core resources so that new strategies could be developed to address the challenges. Capacity development in programme countries, the upgrading of country offices, the sharing of lessons learned in resource mobilization and the improvement of financial systems regarding non-core funding were underscored as crucial elements in meeting the MDGs.

81. One delegation regretted that the provision of non-core funding from the private sector had not been addressed in the report. The report, he added, should have given specific recommendations on the resource situation of UNDP in Africa and an update on the Memorandum of Understanding between UNDP and the African Development Bank and collaboration with other international financial institutions.

82. Some delegations sought clarification on programme support costs and whether UNDP intended to have full cost-recovery for non-core funded projects.

83. In response, the Associate Administrator concurred that regular (core) resources remained the bedrock of the UNDP source of funding, which would be complemented by non-core resources. He also agreed that national authorities should drive the development process and assume ownership of country-level efforts. He also observed that there was a need to align non-core resources with the strategic results framework.

84. The Director of the Bureau of Management responded to the issue of cost-recovery. He reported that the methodology used by UNDP on how much to charge was comparable to that used by UNICEF.

85. The Executive Board took note of the report on the evaluation of non-core funding resources (DP/2001/CRP.12).

Evaluation of direct execution

86. The Director of the Evaluation Office introduced the report on the evaluation of direct execution (DP/2001/CRP.13), focusing on findings and conclusions. The Associate Administrator presented a management response to the report. He stated that the evaluation had been conducted in 2000 and that the report had been presented to the Executive Board in 2001 with consideration of it deferred to the current session. The views of the Board, he noted, had been taken into account in the management response. He underscored that national ownership and sustainable national capacities were among the core principles of development cooperation. He confirmed the commitment of UNDP to national execution as the preferred programme execution modality. He reported that the findings and recommendations in the report had assisted UNDP in making a more effective response to the needs of programme countries. He reported that as a result of the simplification exercise, improvements were being made in the design of a more flexible framework for service delivery that would enable UNDP to respond quickly and reduce transaction costs.

87. Delegations expressed satisfaction with the report and the introductions. They sought clarifications on: the criteria for using direct execution; the implications of direct execution on country office workload and capacity; the costs involved when compared to national execution; the relationship of direct execution to national ownership and capacity-building; the impact of direct execution on national execution as the preferred execution modality of UNDP; the importance of focusing on results rather than on modalities; the need for simplification of an accountability framework; the need to compare the direct execution with other modalities of execution by United Nations organizations; and the utility of the evaluation recommendations, given that the evaluation was an internal exercise requested by UNDP. Some speakers requested that the Administrator report to the Executive Board at its annual session 2002 on how UNDP intended to follow up on the recommendations in the report. The issue of programme and administrative costs relating to direct execution was also raised.

88. In response, the Director of the Evaluation office confirmed that the management of the direct execution evaluation exercise followed the same procedures as other evaluations. He stressed that the independence of the Evaluation Office had been maintained. He added that the evaluation mission had analysed the costs of programme execution, irrespective of the execution modality, and that the findings were of general application to all modalities.

89. The Associate Administrator thanked the speakers for a constructive and timely debate on the evaluation report. He concurred that national execution, with its comparative advantage in national ownership and capacity development, would remain the preferred execution modality of UNDP. He underscored the need for flexibility in the delivery of services and confirmed that UNDP was committed to making further improvements in that regard. He reported that the criteria for using direct execution was still under discussion and the Executive Board would be informed of the outcome. He concluded by stressing that the re-profiling exercise would enhance the capacities in country offices with a view to increasing efficiency and producing better results.

90. The Director of the Bureau of Management reported that the budget implications of direct execution had thus far been neutral, in light of the non-core and self-financing nature of the small direct execution portfolio. He advised that the

budgetary implications of direct execution would continue to be addressed and reported to the Executive Board for its consideration.

91. In summing up the debate, the President of the Board noted that direct execution was flexible as a modality of execution and that national execution was the preferred option, with the advantages of national ownership and capacity development. He stated that the report was important for the whole delivery system. He concluded by noting that the Executive Board wished to know how UNDP intended to follow up on the recommendations contained in the report.

92. The Executive Board took note of the report on the evaluation of direct execution (DP/2001/CRP.13).

The relationship between UNDP and United Nations Office for Project Services

93. In introducing agenda item 6 on evaluation, the President of the Executive Board asked that documents DP/2002/CRP.4 and DP/2002/CRP.5 on the relationship between UNDP and UNOPS should be promoted from conference room papers to regular documents in light of their critical role in the discussions on that topic.

94. The Administrator outlined the areas of work in the joint paper governing the relationship between UNDP and UNOPS. He recognized that UNOPS was established as a self-financing, separate and identifiable entity and as a service provider to organizations of the United Nations system. Accordingly, it was within the context of United Nations programmes and activities and through United Nations organizations that UNOPS provided services to associated governmental, intergovernmental and non-governmental entities.

95. He observed that it had been agreed that UNOPS did not have, nor did it intend to develop, a substantive capacity to mirror those of programmatic organizations such as UNDP. However, he recognized the complimentary nature of the two organizations in support of the programme countries. He stressed that measures would be taken to avoid duplication and replication of roles, expertise and cost.

96. Regarding representation at the country level, the Administrator reported that UNDP resident representatives would continue to represent UNOPS. However, where a physical presence of UNOPS was required and justified by the scale and scope of its activities, such presence would be established taking into account the reform programme of the Secretary-General, including common United Nations houses and integrated services. They would thus draw upon each other's services to ensure effectiveness and efficiency.

97. The Administrator confirmed that UNDP and UNOPS were in perfect agreement that resource mobilization in support of the programmes and priorities of programme countries as reflected in their UNDAFs would be the responsibility of funding organizations and particularly UNDP. UNOPS would undertake implementation rather than funding activities, as emphasized in decision 94/12 of the Executive Board. He added that as a self-financing entity UNOPS needed to undertake careful budgetary planning and assure itself a level of activities consistent with its plans. However, with the agreement and knowledge of UNDP and other funding organizations, if requested by them, UNOPS might lend support to them in their efforts to mobilize resources for programme countries.

98. On the issue of programme execution, the Administrator stated that national execution would continue to be the preferred modality for the bulk of UNDP-funded programmes. Any support that UNOPS wished to provide in support of national

execution, such as in helping build capacity within national executing entities for financial reporting, would be welcome. The Administrator emphasized that UNOPS continued to be an important service provider to UNDP-funded activities and that UNDP would continue to encourage the use of UNOPS services where it is cost-effective and competitive, particularly in the implementation of large and complex projects.

99. The Administrator fully supported the views of the Secretary-General on the Management Coordination Committee (MCC), to which he would continue to delegate his executive and oversight authority over UNOPS and responsibility for the monitoring of its activities. Regarding the position of the Executive Director of UNOPS, the Administrator stated that he enjoyed the privilege of recommending nominees to the Secretary-General for that post as he did for other Assistant-Secretary-General-level appointments within UNDP and its related funds and programmes.

100. The Administrator further stated that as chair of the MCC he intended to allocate as much time that was needed to carry out the important function of chairing the MCC and to report to the Secretary-General periodically on the discharge of those functions. He also observed that it was important that the MCC, in exercising its supervisory role, would adopt a fully agreed work plan so that all business issues related to UNOPS would be laid before the MCC for discussion in a proper and timely manner.

101. The Administrator supported the Secretary-General's proposed expansion of the MCC and the setting up of a working group to prepare for the meetings of the MCC. He stressed that the Executive Board would continue to provide overall policy guidance and directives to UNOPS as it did to UNDP. The MCC would only act to ensure that the policy guidance of the Board and the oversight responsibilities of the Secretary-General were translated into an effective governance regime for UNOPS.

102. The Administrator concluded by assuring the Executive Board that UNDP would proceed expeditiously to work out all the operational arrangements necessary to implement the agreements and proposals. He also reaffirmed his personal commitment to maintaining and strengthening an effective and harmonious relationship with UNOPS. The cooperation between UNDP and UNOPS would be translated not only at the headquarters level but also on the ground to ensure that UNDP and UNOPS served programme countries together in a coherent way.

103. The Executive Director, UNOPS, stated that prospects for 2002 were promising because requests for the organization's services were expected to exceed $900 million. Document DP/2002/CRP.4 was also seen as promising because it demonstrated that both UNDP and UNOPS were committed to recreating their relationship. Two of the main points of the joint paper constituted recognition for and respect of each organization's role; UNOPS would not encroach upon the mandate of UNDP in resource mobilization and UNDP would not replicate another UNOPS within UNDP.

104. The Executive Director compared existing UNOPS with the organization as it had been in 1995 when projects had accounted for the lion's share of UNOPS business. In 2002, the loan portfolio accounted for more than half of its business. Additionally, a large share of UNOPS business in 2002 was for United Nations organizations with mandates outside of the area of development (such as peace, security, human rights and disarmament).

105. Risk-management tools, the Executive Director said, had helped to make UNOPS the number one outsourcing specialist in the United Nations. In 1995, UNOPS was usually given responsibility for implementing entire projects. In 2002, however, implementation was based on a division of labour between clients and UNOPS, which meant that United Nations organizations could outsource part of their work, assigning responsibilities according to expertise and comparative advantage. UNOPS had also become more client-oriented, the Executive Director added.

106. The Executive Director proposed the creation of a separate Executive Board segment focusing on UNOPS to enable the organization to address issues raised by delegations directly. He cited the support of the Secretary-General in 1994 for such a segment as well as more recent support from the Administrator. The Executive Director also supported the recent proposal by the Secretary-General to expand the UNOPS Management Coordination Committee (MCC) by adding representatives from UNOPS clients.

107. Delegations expressed their satisfaction with the two documents (DP/2002/CRP.4 and DP/2002/CRP.5) and the introductory statements by the Administrator of UNDP and the Executive Director of UNOPS.

108. Many delegations reaffirmed that UNOPS should be a service provider in project implementation for organizations of the United Nations system, working with UNDP, to the benefit of programme countries. In that regard, many expressed that UNOPS should remain a separate, identifiable, self-financing entity operating on a demand-driven basis within the United Nations system. They also encouraged United Nations organizations to make full use of the expertise, knowledge and service provided by UNOPS. Two delegations pointed out that UNOPS had grown into an important link in the United Nations system and that its experience, competence in implementation of projects, high-quality service and rapid response and flexibility made it an attractive partner for Governments of programme countries. They proposed that direct interaction should be allowed between Governments and UNOPS at the country level, arguing that channelling funds through other organizations in the United Nations system with thematic mandates made the entire process for programme countries more expensive. Other delegations, however, insisted that UNOPS should not provide services directly to organizations other than the United Nations organizations. Two other delegations expressed concern about rumours of a budget deficit at UNOPS for 2001.

109. Some delegations stated that the wording on resource mobilization in CRP.4 was ambiguous and left too much room for multiple interpretations. Accordingly, they stressed that UNOPS should not mobilize resources even though the joint paper of UNDP and UNOPS had indicated that, with the agreement and knowledge of UNDP and other organizations, UNOPS might lend support to them in their efforts to mobilize resources for programme countries.

110. The proposal of a separate segment for UNOPS at Executive Board sessions was discussed at some length. Although the Administrator had supported the proposal by Executive Director for a separate UNOPS segment, he left the final decision to the Board. Two delegations fully supported the idea, arguing that it would allow for more effective supervision of UNOPS. Several delegations sought further clarification about the usefulness of a separate segment. Three delegations preferred the existing arrangement whereby UNOPS items were discussed under the UNDP segment.

111. Many delegations supported the expansion of the Management Coordination Committee (MCC), including clients and partners in the United Nations system, and the creation of a working group to act in a secretariat-like manner with representatives from UNDP and UNOPS. The participation of the Executive Director of UNOPS as an ex-officio member of the MCC was also supported. These arrangements would help to foster cooperation between UNDP and UNOPS, maximize synergies between them and facilitate implementation of decisions made in respect to the UNDP/UNOPS relationship. One delegation cautioned against the MCC encroaching on the authority of the Executive Board.

112. One delegation stated that other United Nations entities should refrain from establishing implementation services similar to those of UNOPS. Another delegation asked for additional information on issues and opportunities involving the Inter-Agency Procurement Services Office (IAPSO). In that connection, the mandate of the Inter-Agency Procurement Services Office (IAPSO) in UNDP should be qualified.

113. In responding to delegations, the Executive Director reaffirmed UNOPS as a demand-driven, service organization for the whole United Nations system. While it did not have a substantive mandate, UNOPS did possess considerable knowledge in areas such as project management and value-for-money procurement.

114. In his response, the Administrator welcomed the proposals in the joint paper and the guidance given by the Secretary-General and stressed UNDP willingness to implement them. He emphasized the oversight role of the MCC, which should be fully respected. He also pointed out that the Executive Director should report to the Executive Board and the Secretary-General through the MCC. He underscored that the expanded MCC would play an effective role in the relationship between UNDP and UNOPS.

115. The Executive Board adopted decision 2002/2 (see annex I).

Joint UNDP/UNFPA segment

VII. Recommendations of the Board of Auditors, 1998-1999

UNDP

116. The Associate Administrator introduced the report on the implementation of the recommendations of the Board of Auditors for the biennium 1998-1999 (DP/2002/5). He reported that UNDP was grateful to the Board of Auditors for engaging in a constructive dialogue that helped to maintain transparency in matters of institutional accountability.

117. He observed that the report contained a summary of the recommendations of the Board of Auditors for the biennium 1998-1999 and the status of UNDP follow-up action, including target dates for completion. He stressed that progress had been made in many areas and efforts were being made to address outstanding issues. One delegation had a few questions on the report and suggested raising them bilaterally with UNDP.

118. The Executive Board took note of the report on the implementation of the recommendation of the Board of Auditors for the biennium 1998-1999 (DP/2002/5).

UNFPA

119. The Deputy Executive Director (Management) introduced document DP/FPA/2002/2, a status report on follow-up measures to the recommendations contained in the report of the United Nations Board of Auditors for the biennium ended 31 December 1999 (A/55/5/Add.7). The Deputy Executive Director outlined the Fund's overall approach to the implementation of the recommendations of the Board of Auditors. She asserted that UNFPA was firmly committed to a results based approach in all its operations and that the organization had sought to make its operations and accompanying procedures more results-oriented within the ongoing transition. She reported that the management letters and reports of the Board of Auditors were circulated among senior staff upon receipt and then placed on the agenda of the Executive Committee to ensure that senior management staff understood their respective responsibilities with regard to follow-up action. She emphasized that UNFPA management intended to be proactive in seeking the advice and guidance of the Board of Auditors between visits in order to forge a close partnership to strengthen internal control and management practices further.

120. The Executive Board took note of the follow-up to the report of the Board of Auditors for 1998-1999: status of implementation of recommendations (DP/FPA/2002/2).

UNOPS

121. The Deputy Executive Director introduced document DP/2002/6 and pointed out to the Executive Board that UNOPS had been working very closely with its external auditors. As the existing report presented to the Board related to the earlier biennium, 1998-1999, he stated that all of the recommendations suggested by the external auditors either had been fully implemented or were in the process of implementation.

122. The Executive Board took note of the report on the implementation of the recommendation of the Board of Auditors for the biennium 1998-1999 (DP/2002/6).

VIII. Reports to the Economic and Social Council

UNDP

123. The Associate Administrator introduced the report to the Economic and Social Council for 2001 (DP/2002/7). It focused on three main topics: (a) implementation of the reform programme and provisions of the comprehensive triennial policy review of operational activities for development of the United Nations system for 2001; (b) follow-up to major conferences, summits and the Millennium Declaration; and (c) follow-up to special economic, humanitarian and disaster-relief assistance.

124. The Associate Administrator stressed that one of the main pillars of the reform programme had been the development of structures and tools that allowed for greater coherence in policy, procedures and operational activities for development. A joint group on Afghanistan comprising the United Nations Development Group (UNDG) and the Executive Committee for Humanitarian Affairs (ECHA), for example, had been established to guide the operational response of the United Nations in that country.

125. Progress had continued to be registered on United Nations houses, with five new houses established in 2001. Discussions on best practices and lessons learned in the preparation of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) had also been facilitated thanks to the establishment of Internet services for UNDG members: UNDG Devlink and the CCA/UNDAF learning network, RCNet.

126. The development of the CCA and UNDAF had received strong support. In evaluating those instruments, Member States and the Department of Economic and Social Affairs in the United Nations Secretariat had made valuable suggestions for their improvement.

127. UNDP had made progress towards enhancing the harmonization of programming procedures with those of other funds and programmes in compliance with comments by the Economic and Social Council and the Executive Board. In its resolution 56/201, the General Assembly had called for more rapid progress with specific timetables established for the achievement of harmonization of financial, administrative and personnel systems. Those recommendations would form an integral part of the UNDG programme of work in 2002.

128. UNDP continued to strengthen the resident coordinator system by hiring highly qualified staff and implementing a new modality to assess the competencies of candidates. More efforts, however, were still needed to improve the gender balance in that regard. UNDG had, therefore, adopted a policy in 2001 encouraging all organizations to propose a 50 per cent ratio of women as candidates for resident coordinator assessment. Efforts were also under way to improve the assessment of serving resident coordinators and to work towards a 180-degree feedback system. The need to recruit more resident coordinators with humanitarian experience for countries in special development situations or in post-conflict countries had been stressed.

129. Gender-mainstreaming continued to be a vital part of UNDG activities. The analysis of CCAs and UNDAFs and reports from two thirds of UNDP offices showed that there had been increasing programming for gender-mainstreaming and greater inter-agency coordination. Room for improvement nevertheless remained, including the development of gender-disaggregated data sets and the mainstreaming of gender in planning across all programme sectors in post-conflict situations.

130. Coordination with Bretton Woods institutions had been enhanced particularly in the preparation, at the national level, of poverty-reduction strategy papers (PRSPs) at the country's request.

131. Regarding follow-up to major conferences, there had been considerable emphasis on commitments, goals and targets contained in the Millennium Declaration. Campaign efforts had begun to raise awareness of the importance of achieving those goals, including country pilot activities to prepare analytic reports on progress towards the achievement of those goals and commitments.

132. On follow-up to special economic, humanitarian and disaster-relief assistance, UNDP provided a strong link in relief, rehabilitation and development operations. To ensure the sustainability of those efforts, cooperation with national and local entities and organizations of civil society had become vital.

133. With reference to the earthquake disaster in Gujarat, India, the Associate Administrator reported that UNDP had quickly dispatched a transition recovery team. The involvement of national staff in the effort was very strong and had resulted in considerable capacity-building. Valuable lessons had also been learned for future actions in natural disaster prevention, preparedness, mitigation and recovery.

Comments by Executive Board Members

Quality of the report

134. Many delegations congratulated UNDP for the high quality of the report and its presentation based on the UNDG common format. One speaker called for an improvement in the analytical part of the otherwise comprehensive and informative report.

Coordination and cooperation with other partners

135. Some speakers supported the initiatives by UNDG to organize a coordinated approach to operational activities for development. A cohesive, coordinated and harmonized approach to development, they noted, enhanced the value of technical support to programme countries in their efforts to implement the Millennium development goals, including the overarching goal of halving poverty by 2015, in an increasingly interdependent and complex world. The collaboration of UNDP within the United Nations system was evident in the quick response to provision of humanitarian assistance in crisis situations, such as in Afghanistan and India.

136. Although closer collaboration with other development partners was stressed, it was advised that such relationships should be complementary so that the mandate and comparative advantages of UNDP and its universality, neutrality and impartiality would be maintained and its programmes of support would remain country driven and owned.

Resident coordinator system

137. Delegations noted with appreciation the efforts to broaden the selection pool of resident coordinators and the setting-up of the competency assessment facility. Such arrangements would enhance the range of high-quality resident coordinators who led the country office teams in an efficient and effective manner. Well-qualified and experienced resident coordinators constituted a vital component in ensuring that CCAs and UNDAFs were well prepared in collaboration with and in agreement with

Governments. Some speakers urged that more efforts should be made to diversify the pool of candidates and to improve gender balance.

Funding issues

138. Some delegations underscored that regular (core) resources constituted the bedrock of UNDP activities. While more remained to be done, the reversal in the decline of core resources was highly applauded and demonstrated that the donor community and programme countries were happy with the direction in which the new UNDP was headed. The increase in non-core resources was also appreciated as a complement to the regular funds. There was a suggestion that an equitable allocation of resources among regions should be undertaken.

Response

139. The Associate Administrator thanked the delegations for their constructive and positive comments on the report. He promised that every effort would be made to improve the analytical content of future reports.

140. On gender balance and gender-mainstreaming, he regretted that many women were not yet in the requisite high-level positions to qualify as candidates for resident coordinator positions. He assured the Executive Board that efforts would be stepped up within UNDG to diversify the pool of candidates and to improve gender balance.

141. With regard to collaboration with international financial institutions and, in particular, the World Bank, the Associate Administrator elaborated on the complementary nature of their relationship with UNDP. He observed, for example, that the poverty analysis approach used in national human development reports and CCAs had served as a model for PRSPs, which were linked to the Highly Indebted Poor Country Initiative, committed to reducing external debt with savings allocated to social sectors in order to reduce absolute poverty. As a trusted advisor to programme countries, UNDP had helped to facilitate the preparation of PRSPs by Governments.

142. The Executive Board took note of the UNDP report to the Economic and Social Council (DP/2002/7) and agreed to submit it and the comments made thereon to the Council.

UNFPA

143. The Deputy Executive Director of UNFPA introduced the report to the Economic and Social Council (DP/FPA/2002/1). He highlighted the importance of Executive Board decision 2001/11, which had effectively harmonized the programming processes of UNFPA and UNDP and provided an opportunity for Board members to contribute to the formulation of country programmes. He called attention to the emphasis in the report on the role of the United Nations Development Group (UNDG), and noted that the report drew liberally on the Synthesis Report of the Resident Coordinator Annual Reports that had been prepared by the UNDG Office. He also made reference to the examination in the report of gender mainstreaming in the mandate and programme of UNFPA, participation by country offices in the poverty reduction strategy papers (PRSP) process, and efforts to ensure that the work of the Fund contributed to the Millennium agenda.

Comments by delegations

144. In commenting on the report, a number of delegations said that they found the report to be useful and informative. Some asked that future reports be more analytical and less descriptive. Delegations expressed support for the recommendations in paragraph 71 on follow-up to international conferences and summits and the Millennium Development Goals and underscored the need for national ownership and leadership of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) processes.

145. There was widespread support for the emphasis on gender mainstreaming, although one delegation suggested that the report should have explicitly supported women's abilities to improve their own reproductive health. One delegation applauded the attention UNFPA had given to the issue of violence against women and girls and asked for more details regarding the approach of the Fund to addressing gender-based violence in reproductive health care and on the outcomes of the piloting of the publication, *A Practical Approach to Gender-Based Violence: A Programme Guide for Health Care Providers and Managers*.

146. One delegation encouraged both UNDP and UNFPA to address the problems documented in the Triennial Comprehensive Policy Review assessments of the CCA and UNDAF processes. The same delegation also cautioned of the undesirability of using a results-based approach as a primary determinant for the global allocation of resources. Although that delegation recognized the usefulness of monitoring and evaluation in ensuring that resources were managed strategically, it was concerned that excessive emphasis on short-term results could distort the priorities of the organizations.

147. A number of delegations welcomed the efforts UNFPA had made to enhance cooperation with the World Bank, and asked to hear more about cooperation in the area of reproductive health commodity security. Some delegations, however, expressed the view that UNDG collaboration with the World Bank was complex and that the CCA and UNDAF processes should remain country-driven and not be subject to conditionalities.

148. Several delegations agreed on the need to establish a more diverse pool of resident coordinators, with a better gender balance as well as greater participation by agencies other than UNDP. One delegation asked for explanations of possible reasons for the gender imbalance, while another expressed concern that the proposal to implement a 50 per cent quota might not be the most effective way to correct the problem. Another delegation stressed the importance of gender sensitivity and a gender-balanced approach.

149. One delegation recommended that UNFPA and UNDP follow the practice of UNICEF of announcing contributions during the first Board session of the year instead of at the annual session of the Board, as was the current practice.

Response of the Administration

150. In replying to the various comments and questions, the Deputy Executive Director thanked the delegations for their comments and for their support of the harmonization of activities by UNDG agencies. He took note of the delegations' strong interest in gender sensitivity and reported that the programme guide on gender-based violence was in the process of being tested.

151. In response to the request for more information on the work of the Fund in the area of reproductive health commodity security, he asserted that UNFPA was a global leader in that area, a role that had been recognized at the May 2001 meeting in Istanbul on securing contraceptives and condoms for HIV/AIDS prevention. UNFPA was now working with its partners to translate the global agenda into country-specific plans.

152. He responded to concerns about the Fund's increasingly close partnership with the World Bank by saying that the UNDG agencies and the Bretton Woods institutions had different comparative advantages. UNFPA was aware of the importance of maintaining a clear line in its relationship with such institutions. Concerning the gender imbalance in the Resident Coordinator system, he said there were various explanations, including the reluctance of some agencies to give up qualified staff, particularly women, as well as concerns about career development.

153. The Deputy Executive Director closed his remarks by saying that future reports would be more analytical.

154. The Director of the Strategic Planning and Coordination Division agreed with the comment that it was not sufficient to be gender-sensitive but that it was critical to have a gender perspective as well. He noted that the experience of the Fund in the PRSP process had been mixed and said that he hoped to see more linkages between population and development issues and poverty in the future. He concluded by emphasizing the progress made by UNFPA in the area of reproductive health commodity security, and affirmed that that would remain one of the top priorities of the Fund.

155. The Executive Board took note of the UNFPA report to the Economic and Social Council (DP/FPA/2002/1) and agreed to submit it and the comments made thereon to the Council.

UNFPA segment

Statement by the Executive Director

156. The Executive Director congratulated the President of the Executive Board on his election, and thanked him for the statement he had made at the opening of the session the week before. She assured him that she had taken note of the points he had raised in that statement, and agreed that UNFPA should be judged on how well its programmes achieved results.

157. The Executive Director reminded the Board of the three challenges she had identified in her inaugural appearance before them the year before: ensuring a financially stable Fund; strengthening the Fund's institutional capacity; and addressing the socio-cultural context of programme development and delivery. She added to those a fourth challenge: adapting to an environment that, given the Fund's sensitive mandate, was affecting its ability to attract resources, build institutional capacity, and deliver programmes.

158. The Executive Director said that the fourth challenge was heightened by the tendency of some of the Fund's opponents to deliberately spread untruths, half-truths, and distorted realities. She spoke of the urgent need to respond with a fair and accurate accounting of UNFPA and its work, and underlined the value of Executive Board visits to UNFPA projects in the field. She suggested that the Executive Board, with its first-hand knowledge of the Fund's work, was uniquely qualified to tell the world what the Fund was, what it stood for, what it did, and, just as important, what it did not do. Although most of the charges levelled against the Fund were false, some of them seemed to be resonating with reasonable people. The attacks on UNFPA were now constant, systematic, synchronized and global, and needed to be countered with the truth.

159. The Executive Director announced that regular resources income for 2001 totalled $262 million, some $10 million less than had been projected. Although there was some concern about 2002 estimates, largely due to the undetermined level of contribution by one of the Fund's major donors, there was some good news: supplementary resources income for 2001 was well above target, and the Fund now counted a record 120 donors. Nevertheless, much of the Fund's work continued to be endangered by the lack of a predictable and assured core resource base. To respond to the global shift from core to non-core resources, the Fund needed to make adjustments to its programmes and to the links between the two types of funding. It was also important to ensure that projects supported by non-core resources directly impacted on the core programme areas of the Fund.

160. The Executive Director reported that the results of the field needs assessment study conducted in June and July of 2001, and other transition-related efforts, were beginning to yield concrete benefits in terms of: how UNFPA could more strategically allocate its financial and human resources; how the Fund could reinforce the support it gave to the field, both structurally and operationally; and how UNFPA could simplify financial and administrative systems and procedures. She confirmed that 2002 would be devoted to implementing and testing the new strategies and systems developed to date.

161. The Executive Director described some of the Fund's activities in the area of religion and culture. A panel of scholars and experts on religion, human rights and international affairs had been convened in November 2001 to launch a dialogue on the role of religion and culture in the context of globalization and development. The

success of that panel, which was being used to help to develop operational approaches and guidelines, building on positive cultural values found in all societies, had inspired UNFPA to organize other related activities, such as a panel on the role of culture and religion in population programming in January 2002. Those were only two examples; numerous initiatives had been pursued, at headquarters and in the field, to promote respect for diversity and dialogue among cultures. But those initiatives had been carried out on an ad hoc basis in the past, and the time had come to adopt a conceptual framework on culture and appropriate guidelines to mainstream it in programmes in a systematic and consistent manner.

162. The Executive Director stressed that UNFPA had stepped up its efforts to mainstream a results-based approach in its programming, and to build the capacity of its staff and national partners to manage for results. The Fund was committed to a programming process that was country-led and country-driven, based on national needs and priorities. The Executive Director then highlighted some of the key development challenges in the regions in which UNFPA worked.

163. The most formidable challenges affecting the Fund's work in Africa were HIV/AIDS, high maternal mortality, and the lack of reproductive health care for adolescents.

164. In the Arab States, some countries had achieved great progress in slowing population growth and providing more accessible reproductive health services, but other countries in the region still lagged behind. Maternal mortality remained unacceptably high, millions of women lacked access to reproductive health information and quality services, and the social and economic status of women was still an area of concern.

165. Challenges varied widely in the vast Asia and Pacific region. Many countries in South Asia, for example, had made significant progress in reducing infant, child and maternal mortality, but persisting inequities in gender and wealth remained serious deterrents to social and economic development, and continuing high population growth rates in some countries were neutralizing earlier gains. In the islands of the Pacific, the provision of reproductive health services to adolescents was an urgent necessity owing to the high percentage of youth, but service delivery was complicated and expensive because of the geographical dispersion of the population.

166. The majority of countries in the Eastern and Central Europe region faced a very different kind of challenge: total fertility rates that fell below replacement levels. Other challenges included: the poor quality of reproductive health care information and services; the world's steepest increase in HIV/AIDS infection; and the dramatic rise in the trafficking of women and young girls.

167. The Latin America and Caribbean region was generally characterized by high rates of maternal mortality, and HIV/AIDS was a growing problem, particularly in the Caribbean countries and among specific population groups across the region. Development challenges in Latin America and the Caribbean region were made even more acute by high levels of poverty and social exclusion, especially among indigenous populations and marginalized groups.

168. The Executive Director concluded her remarks by acknowledging that she had touched on some very sensitive and controversial issues. That was unavoidable. Perhaps more than any other United Nations development organization, UNFPA was judged not only by its performance but by its sensitive mandate, and its ability to

respond effectively to that mandate required a transparent and frank relationship with the members of its Executive Board.

Comments by delegations

169. A statement endorsed by more than 30 delegations affirmed that UNFPA played a crucial role in helping to achieve the Millennium Development Goals, and more specifically in the promotion of sexual and reproductive health rights. To carry out its mandate successfully, UNFPA needed sufficient political support and core and non-core funding. In that context, the delegations endorsing the statement expressed serious concern about decreases in contributions to the UNFPA budget and called on everyone to reaffirm their commitment to the ICPD Programme of Action and to the international goals and targets of the Millennium Declaration, including by encouraging donor countries to continue, and where possible increase, their contributions to the Fund's core and non-core budgets. Several other delegations echoed the concern.

170. Several delegations also emphasized the critical role played by the Fund in promoting reproductive health, the importance of field visits, and the need to counter deliberate misinformation about the Fund's activities. Numerous delegations commended UNFPA for its activities concerning religion and culture, and on its progress in the area of internal reform and transition.

171. One delegation expressed concern about the Fund's limited ability to meet reproductive health needs in emergency situations and underlined the need to sensitize policy-makers and the general public to the urgency of those needs. Another delegation declared that new resources needed to be raised from the donor community, in addition to those funds already mobilized for programme activities, to narrow the gap between reproductive health needs in emergency situations and the Fund's ability to respond to those needs. The same delegation also noted that the Fund's success overall depended upon its ability to align its own goals, and those of the Millennium Declaration, with the individual development goals and priorities of the countries in which the Fund operated.

172. The Executive Director thanked the delegations for their comments and expressions of support. She mentioned the Fund's activities in Afghanistan as an example of how the Fund had upgraded its ability to provide reproductive health services in emergency situations. She announced that guidelines had been sent to all country offices to encourage them to include progress on the Millennium development goals, and on the provision of reproductive health care coverage in particular, in their reporting. She hoped that Executive Board visits to programme countries would become more frequent.

173. The President closed the segment by summarizing the interventions as follows: (a) delegations had been appreciative of the Executive Director's frank and comprehensive remarks; (b) a large number of delegations had appealed to major donors to increase funding to UNFPA; (c) an expansion of the donor base would be welcome; (d) initiatives in the area of religion and culture were appreciated and were seen as extremely important; and (e) delegations had taken note of the Executive Director's statement that it was extremely important for the Executive Board to help UNFPA to counter false information about its activities.

IX. Technical Advisory Programme

174. The Executive Director introduced the report on the future arrangements for the technical advisory programme (DP/FPA/2002/3).

175. The technical advisory programme (TAP) was described as an inter-agency arrangement through which UNFPA technical cooperation was channelled to countries in support of population and development activities. According to the Executive Director, the proposed new arrangement would build on the strengths of the existing country support teams (CSTs) as field-based multidisciplinary sub-regional/regional teams of technical experts while also incorporating important improvements, such as the development of more effective and results-based partnerships with United Nations organizations and regional economic commissions.

176. The report was the result of an extensive process of consultation in headquarters, with country offices and with the Fund's partners, including other United Nations organizations and members of the Inter-Agency Task Force. Overall, it was concluded that the TAP had delivered substantial and significant advisory support to national population and development programmes, giving UNFPA a comparative advantage by providing it with a ready pool of experts to service the technical needs of country programmes. There was room for improvement, however, and the established criteria used to assess future arrangements for UNFPA technical support included: national capacity-building, quality of technical assistance, regional approach, cost, flexibility and partnership possibilities.

177. The Executive Director said that new arrangements for the TAP should contribute to: (a) enhanced national and regional capacity to provide technical support for population and development activities; (b) increased availability and use of strategies and knowledge, to improve the effectiveness of national population and development programmes; and (c) improved strategic technical support at key stages of the UNFPA country programme cycle, as well as to United Nations reform processes and other system-wide approaches.

178. To enable the TAP to meet those criteria, the proposed arrangements included several modifications, among them: (a) adjusting the size and skills of the CSTs in line with the specific needs and capacities of sub-regions and regions; (b) revising the terms of reference of the CSTs to focus missions on strategic interventions in the country programme process, such as common country assessments and poverty reduction strategy papers; (c) enhancing the flexibility of technical support; (d) developing a more effective and results-based strategic partnership programme with United Nations organizations and regional economic commissions; (e) strengthening the overall monitoring and evaluation of the TAP; and (f) standardizing recruitment practices, terms and conditions, and the monitoring and evaluation of performance through direct UNFPA management of future CST recruitment.

179. The Executive Director said that 2002 would be a year of transition, a time to address several important issues to ensure that the new TAP started operating fully in January 2003. Those issues included: (a) the establishment of new staffing partners; (b) facilitating necessary cultural changes; and (c) ensuring a strong management and technical support system for the TAP. She emphasized that the system would be implemented only to the extent made possible by available resources and that contingency plans were being made to adjust the scope of the programme in the event of a reduction of funding. She closed her remarks by stressing that the new TAP was closely linked to the UNFPA transition process.

Comments by delegations

180. A number of delegations thanked the Executive Director for her presentation, and agreed that the TAP had been instrumental in the provision of technical assistance to countries in the areas of reproductive health, population and development strategies and advocacy. Some delegations expressed confidence that the TAP would be in line with the Fund's multi-year funding framework (MYFF) and would continue to contribute to the strengthening of national capacities in programme countries. Others appreciated the report's attention to various management issues associated with a new TAP system, particularly linkages between implementation and the Fund's overall transition process.

181. One delegation from a programme country emphasized the critical role that the TAP had played in helping to develop national capacities and underlined that one third of all country technical service team mission activities were related to capacity-building efforts. The delegation agreed on the need to improve local technical capacity and to enhance the role played by national experts in relation to international staff. By doing so, the level and quality of South-South cooperation could be improved at the same time. The delegation welcomed arrangements that would give greater emphasis to knowledge-sharing, particularly through the development of information systems, and to the utilization of national and regional resources in providing technical support.

182. One delegation was concerned about the lack of flexibility of the TAP, as confirmed in the report, and thus supported the preferred option for modifying the TAP. That option called for reducing the number of advisors in country support team (CST) regional posts and replacing the technical advisory specialists with a new mechanism that would provide technical assistance and liaison with other organizations. The delegation asked for more information concerning how the relationship with other United Nations organizations would be recast and what would be the impact of that new relationship in terms of the Fund's overall mandate and activities. The delegation also supported the increased emphasis on national capacity-building by having regional offices focus on strategic interventions. Additional information was requested concerning: (a) how national and regional sources of technical support would be utilized; (b) how their expertise would be shared to build capacity; and (c) the identification of specific outputs, the development of objectively verifiable indicators, and the contribution of the TAP logframe analysis to the goals and objectives of the MYFF.

183. Other delegations endorsed the preferred option as well. Additional information was requested on how the partnerships mentioned in the report would function in practice. One delegation, in reference to the statement by the Executive Director that the TAP would only be implemented in line with available resources, expressed concern about the effect that a reduction in available resources could have on the effectiveness of the programme. Another welcomed the assurance that the proposed new arrangements were being considered in conjunction with the field needs assessment survey and that the CSTs would be reconfigured to contribute to health-sector policy dialogue to ensure that reproductive health was properly reflected within sector plans. A couple of delegations said that they looked forward to a review of the new arrangements at the Board's second regular session in 2004.

184. One delegation echoed previous comments in encouraging a healthy mix of in-house expertise and the ability to draw on expertise from external consultants where necessary. It pointed out that the most cutting-edge, relevant, culturally sensitive and cost-effective expertise was often located in the South. One delegation questioned

whether a new strategic partnership was necessary. Others wanted to know how country offices would be strengthened.

185. A statement was then given by the Executive Director of the Cluster on Family and Community Health of the World Health Organization (FCH/WHO). The Executive Director, FCH/WHO, expressed appreciation for the report on behalf of WHO and other United Nations organizations participating in the TAP, namely the Food and Agricultural Organization (FAO), the International Labour Organization (ILO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). She said the TAP was seen as a model of effective collaboration among United Nations organizations and informed the Executive Board that the programme had been cited as a best practice at a recent World Bank consultation on effective partnerships.

186. The Executive Director, FCH/WHO, listed five of the main achievements of the TAP to date: (a) building national capacity and competence in a wide range of reproductive health, population, and development issues; (b) contributing strategic technical assistance in those areas, within broader development frameworks and coordinating related efforts and resources at the country level; (c) giving timely technical assistance and advice to Governments on reproductive health and population programmes; (d) fostering the use of guidelines and norms in support of reproductive health and population issues and addressing country-level needs; and (e) facilitating the incorporation of reproductive health and population and development issues in the priority activities of the organizations participating in the TAP.

187. According to the Executive Director, FCH/WHO, those achievements had been made possible by three key features of the TAP: (a) its multi-disciplinary nature; (b) its multi-agency composition; and (c) its tiered approach to technical support, whereby the work in research and normative development undertaken at the headquarters of the participating organizations was effectively channelled to their colleagues on the country support teams. She also acknowledged some of the constraints that partners had experienced when implementing the programme's multi-agency, multi-disciplinary support system. Some of those constraints were administrative; others were the result of fluctuations in funding, which placed excessive burdens on CST staff. It was suggested that it might have been useful to document some of those challenges through a formal external evaluation of the TAP.

188. The Executive Director, FCH/WHO, on behalf of WHO, FAO, ILO and UNESCO, endorsed the modifications suggested in the report but expressed concern that the loss of TAP-dedicated staff at the headquarters of each organization, and the disappearance of partner agency staff in the CSTs, could adversely affect some of the key features that had made the TAP so successful to date. She expressed the organizations' support for the strategic partnership programme proposed as part of the new arrangements and said that that new component should do the following: (a) build on the normative roles and comparative advantages of the respective organizations; (b) identify clear and practical mechanisms for consolidating the setting of norms and standards with technical support to countries; and (c) provide for multi-year funding.

189. The Executive Director, UNFPA, thanked the delegations and the Executive Director, FCH/WHO, for their interventions. She assured the Board that partnerships with other United Nations organizations would be strategic and would be based on comparative advantage; they would not be developed in response to ad hoc requests. On the issue of strengthening field capacity, she said that UNFPA was looking at

country office typology and assessing the competencies of resident representatives to see where their skills needed to be upgraded. She asserted that national and regional expertise would be used wherever possible. The Executive Director, UNFPA, also expressed a commitment to evaluation and reiterated that funding was an issue and that shortfalls could mean that some posts would have to be left unfilled.

190. The Chief of the Interregional Country Programme and Field Support Branch said that a framework was needed for the strategic partnerships of the TAP. He described those partnerships as having four components: outputs, technical backstopping, missions and training. On the issue of national capacity-building, he said that CSTs needed to focus on the development of national and regional technical capacities through targeted assistance to individuals and institutions. Regarding monitoring and evaluation, he stressed the need to revise the logframe of the TAP and suggested that a simpler monitoring instrument might be needed. Finally, he spoke of annual meetings between UNFPA and CSTs, where results-based work plans would be formulated, progress would be measured, and relevant outputs and indicators would be selected for the following year.

191. The Deputy Executive Director (Programme) added that the strategic partnership programme must be "two steps ahead" and that it was important to consider the comparative advantages of each organization.

192. The Executive Board adopted decision 2002/3 (see annex I).

X. Country programmes and related matters

193. Before submitting the country programmes for approval, the Deputy Executive Director (Programme) gave a brief introduction outlining some of the general challenges faced by programme offices in the various regions. He cited two important frameworks for considering the impact of UNFPA country programmes: the Millennium development goals (MDGs), and the Fund's own corporate goals as articulated in the multi-year funding framework (MYFF) for the period 2000-2003. The Deputy Executive Director reiterated the concern of UNFPA that providing universal access to quality reproductive health information and services by 2015 had not been included in the MDGs, and promised the Board that UNFPA would work with Governments and other development partners to make that ICPD goal a reality and to ensure that progress was properly monitored at regular intervals.

194. The primary focus of UNFPA in the African region continued to be on preventing the further spread of HIV/AIDS, improving reproductive health, reducing maternal mortality, and addressing gender disparities. The HIV/AIDS epidemic remained the most serious development challenge facing the region, and had been rapidly diminishing the socio-economic gains made over the previous three decades. But notwithstanding the devastating effects of HIV/AIDS, most sub-Saharan African countries were characterized by persistently high population growth rates, and adolescents and young people in general in those countries continued to face formidable obstacles for access to youth-friendly reproductive health services. Contraceptive prevalence rates in many countries remained low, a situation aggravated by frequent contraceptive shortages. For that reason, training and sensitization for UNFPA government counterparts and other partners in all sub-Saharan countries continued to be top priorities for the organization, along with the development and implementation of comprehensive strategies for enhancing the reach and quality of reproductive health information and services.

195. The Deputy Executive Director attributed Africa's persistently high maternal mortality rates to a number of factors, among them increases in the number of unsafe abortions, the lack of quality emergency obstetric care and skilled attendants at birth, the early onset of sexual activity, the lack of knowledge about the risks associated with sexuality, and the low usage rate of modern contraceptives. UNFPA programmes had been formulated to support comprehensive strategies focusing simultaneously on the promotion of family planning, ensuring the presence of skilled and trained attendants during delivery, and the availability of emergency obstetric care. With regard to gender, African countries had made some advances in dealing with harmful traditional practices, in particular female genital cutting, but much more needed to be done to fully empower women in their economic, social and political lives.

196. The challenges faced by UNFPA-assisted programmes in the Asia and Pacific region were diverse and many. South Asia had made significant progress in the social sector, including the reduction of infant and child mortality, maternal mortality and total fertility, and general improvements in overall health. Yet poverty and gender inequalities were hampering further socio-economic progress, and persistently high population growth rates in some countries were neutralizing earlier gains. South Asia continued to have one of the world's lowest literacy rates and the largest gap between male and female literacy, and gender discrimination and violence against women remained rampant, making the need for population and reproductive health programmes an urgent priority. Most of the countries in East and Southeast Asia continued their gradual recovery from the financial crisis of 1997, but a near exclusive emphasis on macro-economic and financial sector management meant that the education and health sectors continued to receive inadequate budgetary and policy priority. New country programmes in Nepal and the Lao People's Democratic Republic had been designed to tackle the low quality of reproductive health information and services and gender inequality.

197. The Arab States were characterized by high population growth rates, very young populations, high maternal mortality rates, gender inequality, and regional disparities in terms of economic performance. The Deputy Executive Director noted that the three programmes submitted to the Board from those countries focused on improving the availability and quality of reproductive health services and information in the most under-privileged areas at different service delivery levels. Strategies included capacity-building, provision of health commodities and strengthening referral systems. Those strategies were backed up by activities designed to raise awareness about reproductive health issues, among them female genital cutting, early marriage, early pregnancy, the importance of male participation in reproductive health care, harmful traditional practices, empowerment of women, promotion of girls' education, and combating the spread of HIV/AIDS and other sexually transmitted infections. Other focus areas for UNFPA support in the region included population policy formulation, policy analysis, research, census-taking and other data collection, and setting up demographic data bases containing gender-sensitive data.

198. The seven country programmes presented from the Latin America and Caribbean region were designed to support public policies and specific national initiatives aimed at improving the social and economic conditions of populations living in poverty, with special attention given to women, particularly those living in rural areas. The UNFPA programmes proposed comprised a mix of advocacy activities, technical assistance for public policy formulation, promotion of national capacity building, and the development of population programmes supportive of

national poverty alleviation strategies. High priority had been given to reproductive health and rights, and gender equality, areas that had not been sufficiently integrated into poverty reduction strategies in the past.

199. UNFPA programmes in Latin America and the Caribbean had also been designed to address the high maternal mortality rates that persisted in some countries and specific regions within countries, principally through the promotion of family planning and emergency obstetric care. High priority had also been placed on reversing the rapid spread of HIV/AIDS, especially in Central America and the Caribbean countries. The continued focus on adolescent sexual and reproductive health was also emphasized as a key component of all country programmes presented.

200. In light of the extremely limited budgetary resources of UNFPA for the region, strategies aimed at influencing national and state-level public policies had been given higher priority than the promotion of small-scale initiatives affecting small segments of the population. In cases where small-scale activities were being supported, preference had been given to the piloting of new and innovative strategies that could eventually be adopted by governments at the national level.

201. The Deputy Executive Director concluded his remarks by promising that UNFPA would rigorously monitor, through a set of agreed-upon indicators, the impact UNFPA-supported programmes were having on socio-economic development. He assured the Board that the programmes UNFPA supported would be anchored in existing national poverty reduction strategies. He stressed the importance of quality analysis and strategic planning as the basis for programme planning, and affirmed the Fund's commitment to working closely with its partners to maximize programme impact through CCA/UNDAF, PRSP, sector-wide approaches, and, where possible, joint programming.

202. The proposed country programmes for Algeria, Brazil, Cape Verde, the Democratic Republic of Congo, the Dominican Republic, Gabon, Guinea, Haiti, Honduras, Lao People's Democratic Republic, Lebanon, Malawi, Mexico, Nepal, Nicaragua, Paraguay, Rwanda, South Africa, the United Republic of Tanzania, Togo, Yemen and Zambia were approved by the Executive Board without separate discussion on any of them, as provided for in decision 97/12.

Comments by delegations

203. Delegations strongly welcomed the Deputy Executive Director's statement that UNFPA would focus its resources on strategies aimed at influencing national and state-level public policies, and on capacity-building initiatives in various countries.

204. One delegation suggested that country offices needed to set clear priorities, geographically and programmatically, to maximize the impact of their limited resources and to allow for effective implementation and monitoring. It welcomed the geographic targeting of assistance in the Malawi and Zambia programmes, for example, and hoped that the Mpumalanga province would be added to the South African programme as socio-economic indicators there suggested the need for assistance. That delegation also requested that future reports reference the targets set out in PRSP.

205. Concerning the Zambia programme, one delegation strongly supported the programme's strategic interventions, such as capacity building initiatives and population and development activities, but suggested that the reproductive health component of the proposed programme could have been designed to impact on a

wider segment of the population rather than on a single province with only six per cent of the country's inhabitants.

206. With regard to the Nepal programme, that same delegation expressed strong support for the programme's focus on responsiveness of health services, decentralization, availability of contraceptive commodities and reproductive health services, expansion of training, and the need for greater attention to HIV/AIDS. But the delegation was concerned about the apparent failure to define areas for greater collaboration with existing programmes of the Government of Nepal and other donors. The delegation was concerned that the new Nepal programme ran the risk of perpetuating existing geographical inequities in service delivery and of hampering the capacity of the Ministry of Health to allocate funds in the most effective way possible.

207. Another delegation expressed strong support for the proposed programmes in the Democratic Republic of Congo, Honduras, Malawi, Nepal and Yemen, and commended the Fund for its leadership role in policy dialogue on population and reproductive and child health issues. That delegation had questions, however, regarding the expectations for co-financing set forth in the country proposals, particularly with regard to the Dominican Republic and Haiti, and asked how the proposed plans would be adjusted in the event that co-financing expectations were not met. In the area of contraceptive security, especially in the context of the Honduras, Paraguay and Tanzania proposals, the delegation had concerns about the capacity of governments to procure contraceptive commodities through outsourcing mechanisms. It was suggested that rapid response mechanisms would have to be developed to avoid national stock-outs of supplies. With regard to support to NGOs, it was noted that increased reliance on pooled funding and sector-wide approaches had sharply reduced the availability of assistance to NGOs in some countries, and the delegation wondered whether the ambitious objectives set out in the Tanzania programme might not be difficult to achieve without the service coverage provided by NGOs. Finally, the delegation expressed confidence in the Fund's strong comparative advantage in helping to mobilize important and much-needed reforms related to the development of technical norms and to the structures needed to implement them.

208. The representative from Gabon thanked the Board for its continued support for country programmes there, and described how UNFPA assistance helped his country to reduce poverty and to achieve other development objectives. UNFPA assistance to date had contributed to the formulation of a national population policy, preparation for the 2003 census, and the collection of other population data.

209. The delegation from Yemen thanked the Deputy Executive Director for his remarks and thanked UNFPA for its generous assistance, which had helped Yemen to provide better reproductive health care, to improve national population strategies, and to reduce poverty overall. He thanked individual donor countries for their generous co-financing, but said that Yemen still needed additional help to strengthen national capacity to support local efforts.

210. The Mexican delegation thanked the Board for the approved programme for its country, and described how the Fund had made a difference during the 27 years of its collaboration in Mexico. The previous country programme in particular, which covered the period 1997-2001, had contributed significantly to decentralization efforts in population planning, and UNFPA and the Government had worked together to channel multilateral resources to those states and municipalities with the greatest need, namely 306 municipalities in the regions of Chiapas, Guerrero,

Hidalgo, Oaxaca and Puebla; those municipalities had a combined population of some 3.5 million people and had been classified as suffering from the highest levels of marginalization. The delegation spoke of the importance of federalism in attending to local needs, and described how decentralization made it possible to work more closely with civil society. The Government of Mexico had expressed its interest in the promotion of South-South initiatives, through which advances in the field of population could be shared with other countries in the region.

211. The Mexican delegation went on to say, however, that in spite of progress achieved much remained to be done. The process of decentralization and strengthening of implementing state institutions needed to be consolidated and extended to other entities, particularly those representing indigenous populations and other impoverished groups. Emerging problems needed to be addressed as well, such as the effects of growing emigration to the United States and the impact of economic globalization. Those and other problems made the reduction in funds available for the approved Mexico programme, which at $5 million was less than half the amount made available for the previous programme cycle, extremely troubling. Although it was true that there had been an increase in other types of funding, those resources could not be guaranteed.

212. The Brazilian delegation thanked UNFPA for the new programme for its country, and spoke of that programme's innovative approach to South-South cooperation. The delegation from Honduras expressed gratitude for UNFPA support for population activities there, and spoke of the urgent need to slow its rapidly growing population growth and the spread of HIV/AIDS. The representative from Nicaragua thanked the Fund for its newly approved fifth programme of assistance, and said that government support for population activities was very important and must be encouraged. He expressed the Government's deep concern regarding the upgrading of Nicaragua to a Category "B" country, given the persisting gaps with regard to the achievement of the ICPD goals, the widespread needs of Nicaragua in the area of reproductive health, and the insufficient national resources for addressing those needs.

213. The Deputy Executive Director thanked the delegations for their support and for their comments. He agreed that there was a need to prioritize to maximize the impact of limited resources. In response to the question about what was being done in the area of contraceptive commodity security, he said that UNFPA was collaborating in that area with a number of international partners, including the United States Agency for International Development.

214. The Executive Director addressed the issue of contraceptive commodity security as well, noting that UNFPA had a system in place but that additional funds were needed for tracking of contraceptive commodity supplies.

215. The Director of the Africa Division thanked the delegations for their support for programmes in Africa. Responding to a comment on the need to avoid duplication, she assured the Board that country office representatives communicated with other country offices and with governments to ensure that efforts were complementary. She assured the Board that the PRSP and CCA/UNDAF processes were used when setting country programme priorities. She thanked countries for their support of geographical targeting in the programmes of countries such as Malawi and Zambia, and remarked that such targeting was necessary to maximize impact and to allocate resources where they were needed most. Efforts in Zambia, for example, had been focused on that country's north-west province, which had the country's highest concentration of refugees and of people infected with HIV/AIDS.

The Africa Director took note of requests for UNFPA programmes to work more closely with the national development agencies of individual donor countries.

216. The Director of the Division for Arab States and Europe thanked the delegation from Yemen for his remarks, and assured him that the new country programme had been developed in close cooperation with the Government and other UN agencies in the context of the Yemen National Plan. The Director applauded Yemen for its decentralization efforts.

217. The Director of the Latin America and Caribbean Division thanked donor delegations for their support and their comments, and thanked programme country delegations for highlighting the value of the Fund's work in their countries. She said she was encouraged by the number and diversity of donors for SWAp arrangements in Nicaragua for the next programme cycle, and assured one delegation that the PRSP had been fully considered in the preparation of Nicaragua's country programme. The Director took note of the support for interventions aimed at influencing national policies. While agreeing that that was a key aspect of the strategies proposed in the new programmes, she also spoke of the importance of supporting local activities that could test innovative approaches in the field and could be adopted by national governments on a broader level.

218. The Latin America and Caribbean Director responded to concerns about co-financing in some of the proposed programmes. In the case of the Dominican Republic, the level of multi-bi resources to be mobilized was in fact very modest. The Director remarked that UNFPA resource mobilization in Haiti during the past programme cycle had been very positive, not only in terms of funding reproductive health projects, but for the support of census preparations. With regard to Paraguay, the Director reported that the Government had already started contributing its own resources to meet contraceptive needs and that there were clear signs that that would continue in the next programming cycle, during which cost-sharing arrangements were expected to be implemented. The Director concluded her remarks by thanking the delegations of Mexico and Brazil for their support of initiatives for South-South cooperation, and cited HIV/AIDS as an example of an area in which such collaborative initiatives would be promoted.

219. The Director of the Asia and Pacific Division thanked various delegations for their support for the country programme in Nepal, and said that the Fund was working with the Government to ensure that its activities would not be jeopardized by internal strife there.

Closing statement by President of the Executive Board

220. The President stressed that the first regular session 2002 of the Executive Board of UNDP and UNFPA had produced extremely useful and productive results. He commended UNDP and UNFPA for doing a remarkable job in reforming the two institutions with a new set of missions, goals and management systems. He advised that the Board should not only undertake close monitoring of how UNDP and UNDPA work but should also focus on the ties between those two organizations and other United Nations entities. In that regard, he commended the useful discussions and results of the meeting of the joint session of the Boards on 25 January 2002.

221. The President welcomed the participation of the Resident Coordinator in Burkina Faso for his participation at the session and presentation of the real work that is undertaken by various stakeholders at the country level.

222. In concluding, the President stressed the vital role of communication with respective authorities regarding the results achieved by UNDP and UNFPA. He suggested that time should be devoted in the forthcoming sessions to the discussion of how to communicate results to interested parties.

XI. Other matters

UNOPS financial parameters for fiscal year 2001

223. The Executive Director, United Nations Office for Project Services (UNOPS), presented an outline of recent financial and administrative matters, including the budgetary situation at the start of 2002 and a progress report on the ongoing reform effort.

224. He reported a gap in fiscal 2001 between expenditures and income. They included an unforeseen $1 million charge by the United Nations for central administrative services provided several years earlier and an additional $1 million assessment to cover 2001 income tax reimbursements for staff members who were citizens of the United States. Payments to UNOPS for management service agreements (MSAs) had also been significantly delayed (in some cases MSAs were postponed), while income generated from projects funded through UNDP regular resources had fallen because a number of projects had had their budgets drastically reduced. Meanwhile, about $14 million in procurement contracts for the United Nations operation in Kosovo had failed to materialize and in Iraq delays in government processing of visas for more than 100 experts had considerably delayed project delivery. Income from UNOPS loan administration and project supervision services had also fallen in 2001. Out of approximately 100 loans handled on behalf of the International Fund for Agricultural Development (IFAD), 14 had not become effective during the financial year of 2001.

225. The declines in income would require UNOPS to draw down a portion of the organization's operational reserve. The Executive Director outlined various scenarios that would determine the extent of the draw down. Depending on the total administrative budget for the year, the lower end of the deficit would be between $2.9 million and $3.6 million. Using charts and graphs, the Executive Director illustrated the difference in the UNOPS portfolio composition between 1997 and 2001. In 1997, UNDP central resources accounted for almost 45 per cent of UNOPS total portfolio, which, in 2001, were down to 11 per cent.

226. Despite the temporary financial difficulty, UNOPS was a healthy organization and demand for project services was even stronger than previously, the Executive Director explained, noting the recent successful diversification of clients throughout the entire United Nations system and the transfer of IFAD loans away from the World Bank to UNOPS. The ongoing increase in demand for UNOPS services, the Executive Director said, reflected the organization's reputation for cost-effectiveness, efficiency, timely service, proactive client orientation and expertise. For 2002, total demand for services was expected to reach about $1.1 billion, the highest in several years. The Executive Director also highlighted the conservative basis for those calculations and the organization's improvements in productivity, which had resulted in considerable savings. A temporary shortfall in income owing to uneven flow of liquidity, he said, was a reflection of the business cycle and not low effectiveness.

227. The Executive Director cited the establishment of a tight and balanced budget as the priority for 2002. He outlined how the organization planned to achieve that. Many important steps had already been taken, most notably cost-containment, freezing new recruitment from mid-2001, freezing reclassifications and deferring some administrative expenditures. Another priority of the Executive Director for the following year would be another round of administrative reforms. The new round would be based on internal studies on the role of UNOPS in the United Nations system and UNOPS goal to become even more client-centred. Through structural reform, UNOPS would be able to establish an individual account (overseen by an "account manager") for each of its clients in the United Nations. That reform would bring about a large degree of decentralization, better financial reporting and an advanced mechanism for measuring client satisfaction. Productivity gains on the order of $8 million per year would stem from an estimated 15 per cent increase in productivity, a decline in administrative costs, reduction of rental costs and the decrease of senior management posts.

228. In closing, the Executive Director noted that no action would be required by the Executive Board at that time, since shortfalls in income and uneven cash flow would be compensated for and covered by the operational reserve in line with the provisions of the financial regulations. He reminded Board members that he was reporting before UNOPS closed its books for 2001 and noted that the ultimate outcome for the year would be indicated in the annual report as in previous years.

229. All delegations that took the floor thanked the Executive Director for his presentation and some commented that that type of in-depth financial analysis and fiscal transparency allowed the Executive Board to provide true oversight and policy guidance to the organization. One delegation asked the Executive Director for an explanation for the decrease in UNDP business in the UNOPS portfolio; another asked for an explanation on how UNOPS assessed risks when undertaking projects; and one other requested a clarification on the balance of the operational reserve before and after the anticipated draw down. Two delegations specifically called for clarification on the definition of what a 'fully funded' client was.

230. A few delegations expressed concern about the financial shortfall reported for 2001. One requested clarification from the Executive Director about the differences between the September 2001 report to the Board, where it had been stated that replenishment of the operational reserve would start in 2001 with $1.5 million contribution, and the shortfall presently reported. The delegation asked whether reform plans would lead to additional short-term costs. Along with another delegation, it requested that UNOPS reform plans should be added to the agenda of the annual session of the Executive Board in 2002.

231. One delegation wondered whether the risks explained and encountered in 2001 would also exist for 2002. That delegation felt that the Executive Board should be supportive of and encourage UNOPS on some of the positive developments in more recent months, particularly the diversification and winning of new clients. Another delegation was disappointed at the delay in implementing recommendations outlined in document DP/2002/13 (the "Vinde report"), particularly regarding the establishment of a clear and effective system for full-cost charging and urged the speedy implementation of that recommendation.

232. Responding first to the query about the reduction in projects funded through UNDP core resources, the Executive Director explained that the previous year UNDP had cancelled commitments to UNOPS and instead had sought other implementation options, such as national execution, agency execution through other

specialized agencies in the system and direct execution. Despite that shift, UNOPS continued to manage a considerable level of projects supported by trust funds managed by UNDP — an indication that managers of those funds remained keen to having UNOPS handle their projects. For the delegations requesting clarification on the income gap, the Executive Director repeated the anticipated $2.9 million to $3.6 million shortfall for 2001 and noted that the balance of the reserve, after the draw down, would likely fall below $7 million.

233. The Executive Director said that, as of September 2001, UNOPS had planned to replenish the reserve by $1.5 million. That became impossible, however, at the close of the year because the start-up time for portfolios from new clients typically took longer than from those for ongoing clients and the proportion of new clients in 2001 had been unusually large. The organization generated income from management fees for services rendered, which were due only after project delivery. The approach for 2002, therefore, would be to cut costs, further details of which would be reported to the Executive Board at its annual session in June 2002.

234. The Executive Director explained that as part of the UNOPS project acceptance procedure, a systematic financial risk assessment programme had been implemented. Estimates pegged UNOPS financial risks at between 10 per cent to 15 per cent of yearly turnover — similar to an average private-sector firm in the comparable business area, according to the UNOPS Business Advisory Council. Addressing concerns about cost-recovery, the Executive Director explained that UNOPS reform would make each account a "cost centre", with the account manager responsible for full cost-recovery for services provided to each client organization. The recommendations of the Vinde report, submitted to the Board by the Administrator of UNDP two years earlier, continued to be implemented by UNOPS. One of the principal recommendations of that report was the finalization of a computer-based fee-setting system centred on workload estimates. That exercise has been completed and was being tested for final implementation throughout UNOPS.

235. Significant differences between the 2001 and 2002 portfolio existed on at least three levels, the Executive Director said. The overall demand for UNOPS services was approximately $200 million higher for 2002 and UNOPS had increased firmly signed project documents by as much as 30 per cent as a safety net. Additionally, many new UNOPS clients were "fully funded", leaving little risk of sudden cutbacks or project cancellations. A number of United Nations organizations requesting implementation services established project budgets that spanned several years, he added. A signed project document was a legally binding commitment to have UNOPS operate as the executing agency, with an understanding that some clients, as is the case with UNDP, raised their funds on an annual basis through voluntary contributions. Situations existed where a project might be signed for a period of three or four years and funds might not be available toward the end of the project, he said. Other organizations in the United Nations system formulated projects on the basis of funds already available — those that were the "fully funded". A higher proportion of fully funded clients in the UNOPS portfolio would tend to considerably reduce risks encountered in the past.

236. The President of the Executive Board took note of the report of the Executive Director, who reaffirmed his commitment to brief the Executive Board at its annual session 2002 when UNOPS final financial results for 2001 would be available.

Joint session of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP[1]

Introduction by the Administrator of UNDP

237. The Administrator of UNDP, in his capacity as Chair of the United Nations Development Group (UNDG), introduced the topic of the Millennium Development Goals (MDGs). He drew the attention of the delegations to the list of goals and indicators provided in the UNDG Guidance Note on MDGs. They constituted a comprehensive and universal framework which were endorsed by countries from both North and South and widely supported. The MDGs, therefore, were a statement of aspirations and provided the basis for measuring development effectiveness. They represented a common thread running from the Millennium Summit to the International Conference on Financing for Development to be held in March 2002 in Monterrey, Mexico — where financing for these goals would be discussed — and to the World Summit on Sustainable Development (WSSD), to be held in September 2002 in Johannesburg — where policies to reach those goals would be agreed. The MDGs served as a basis for realigning the work of the United Nations system and development actors, such as members of the Chief Executives Board for Coordination (CEB), including the Bretton Woods institutions and other partners.

238. The Administrator noted, however, that the MDGs should not be seen as a programmatic strategy, nor as a substitute for action on international and financial structures, nor as national development strategies. The MDGs should also not be regarded as a replacement for all the goals and targets adopted at United Nations conferences and summits.

239. The Administrator said that the Secretary-General had asked him to serve as "scorekeeper" for the goals in his capacity as Chair of UNDG. He would also, as requested by the Secretary-General, serve as "campaign manager" for a global campaign to support the MDGs. The UNDG agencies were being asked to help Governments prepare country reports on MDGs in cooperation with partner organizations, civil society and private sector entities. The first four such reports had already been published (on Cambodia, Cameroon, United Republic of Tanzania and Viet Nam) and preparation of another 14 was under way. The reports should be rooted in the country context and avoid a standardized, rigid approach. Local leadership and ownership should be the driving force behind the reports, which should be objective in assessing progress towards the MDGs at the national level and take into account actions by developed countries to facilitate attaining these goals through, for example, trade access, debt relief and foreign investment.

240. On the MDG campaign, the Administrator outlined two clear objectives: (a) to take forward the political will generated at the Millennium Summit into a public debate for support for development cooperation and poverty reduction; and (b) to stimulate dialogue on the reform of public policy for more "pro-poor" policies.

[1] The agenda for the joint meeting was agreed upon at a joint Bureau meeting held on 9 January 2002. The Bureaux decided that the theme of the joint meeting would be the priorities of the UNDG for 2002 and beyond in response to the triennial comprehensive policy review, with a specific focus on the Millennium Development Goals, CCAs/UNDAFs and harmonization and simplification of procedures. In addition, the bureaux members requested that the joint meeting address the issue of staff safety and security and that the Boards be briefed on the outcome of the Tokyo Conference on Afghanistan. It was also agreed that the Bureau members of the WFP Executive Board would take part in the joint meeting, on behalf of the entire Board.

241. The campaign would cover both developed and developing countries, aiming for as broad a movement as possible, deeply rooted with Governments, civil society organizations (CSOs) and the private sector in each country. The role of the United Nations would be to support, not substitute for, local ownership in the campaign.

Comments by delegations

242. The presentation by the Administrator stimulated an interesting debate. Some delegations focused on the action of the international community to halve poverty through support for economic growth and social development. In that context, the importance of establishing a suitable macroeconomic policy environment and infrastructure to support private sector growth was highlighted. Other delegations stressed that capacity development in developing countries was essential for making development sustainable.

243. Some speakers noted that the MDG theme was a crucial instrument for tackling the public debate on development issues in both developed and developing countries. It was, however, necessary to ensure that the MDG reports were of high quality so that the MDGs would find their rightful place both in the inter-agency context and in intergovernmental forums, such as WSSD. National reports from the United Republic of Tanzania and Viet Nam provided good examples of the harmonization efforts of development partners.

244. A group of speakers linked the MDG discussion to the comprehensive triennial policy review on operational activities , which — thanks to greater efficiency in the delivery of technical cooperation, enhanced coordination within programmes and funds and streamlined rules and procedures — would help to fulfil the MDGs in conjunction with the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF).

245. Several delegations focused on the role of the MDG campaign in arguing for greater development effectiveness and larger amounts of official development assistance. The MDGs should highlight the challenges to developing countries in their external environment, specifically trade and debt. Delegations from developing countries maintained that the local context should be given appropriate weight in MDG reporting. Some countries also cautioned against MDG reporting becoming a new form of conditionality for the delivery of aid.

246. One speaker expressed concern about the role of UNDP as "campaign manager" or "scorekeeper" for the MDGs, adding that perhaps this should be the responsibility of national Governments, rather than any one organization. Another speaker said that monitoring of national goals by each country would help to build capacity. The importance of ensuring that the goals of the United Nations were integrated with the full cooperation of recipient Governments was stressed. Concerning the delegation of authority and monitoring, another speaker felt that this could lead to the loss of institutional identities, which was key for advocacy efforts. It was suggested, therefore, that the United Nations consider the establishment of its own "identity". The Administrator clarified that its role in monitoring the goals was in no way meant to detract from the role of the United Nations in capacity-building and that there was no new mandate. Part of the mission was to assemble data/statistics at the national level. Within the overall mandate of the General Assembly, the Secretary-General had given UNDG and UNDP the task of leading country team support in data collection. The Deputy Executive Director of UNFPA added that guidelines had been developed for the country teams in working with national Governments and that collaboration in monitoring by all involved was

crucial. The Assistant Executive Director of WFP added that it was important to realize how poor statistics were in many regions. The level of information available at the central level did not always reflect the situation at the local level, and much investment was needed in that sector to allow for accurate monitoring of progress towards the MDGs.

247. The Administrator of UNDP acknowledged the support of many countries that had assisted in the development of the MDG framework and reporting methods. He emphasized that he looked forward to strong support from the regional commissions and from the United Nations Department of Economic and Social Affairs at the regional and global levels, especially with reference to statistical methods and information. The Administrator also noted that the preparation of MDG reports and the campaign would require a partnership with the other United Nations specialized agencies, funds and programmes and with the Bretton Woods institutions, as well as with civil society and the private sector. In that context, he saw a division of labour taking place whereby the Bretton Woods institutions would focus on macroeconomic policy issues and the United Nations would help monitor MDGs. It was important to note the conceptual and policy links between the poverty reduction strategy papers (PRSPs), MDGs and UNDAF. The Administrator also stated that the MDGs would not be the sole strategy and would not undercut work on achieving goals of other United Nations conferences dealing, for example, with reproductive health and food security.

248. The other members of the panel commented on the relevance of the MDGs to their work. The Executive Director of UNICEF said the MDGs were already being reflected in the UNDAFs and therefore by extension in the country programmes of the different agencies. The MDGs were entirely consistent with the medium-term strategic plan (MTSP) that had been adopted by the UNICEF Executive Board in December 2001. The MTSP focused on five overriding global goals and UNICEF would report on progress in those areas. In terms of the agencies working together to support capacity-building, she said that the database used by the Government of the United Republic of Tanzania for its MDG report had originated in a database originally developed by UNICEF in Nepal and India and subsequently modified by UNDP and UNICEF. Now six other Governments in Africa were using the database, which they had modified to suit their own specific needs, with support from the two agencies. The Assistant Executive Director of WFP said that the MDGs helped to strengthen the Programme's focus on the poor. For example, WFP had developed vulnerability analysis mapping, which, instead of general statistics at national level, provided information on the food situation at the regional and district levels and helped to target the poorest. Another important issue was the question of how relief and rehabilitation affected development. The UNDG agencies were engaged in this dialogue in conflict areas, particularly the Sudan, the Great Lakes region of Africa and Afghanistan. The Deputy Executive Director of UNFPA agreed with the delegations which had expressed concern about the lack of a specific goal of access to reproductive health services as part of the MDGs. The UNDG had discussed the issue and requested country teams to include access to reproductive health services as an indicator in their country reports.

Concluding remarks

249. The President of the Executive Board of UNDP and UNFPA indicated that including the MDGs on the agenda of the joint session of the Executive Boards had been beneficial. The MDGs clearly represented a common framework for the work of UNDG. The consensus arising from the discussion was that the MDGs were not a

replacement for a development strategy but were designed to measure progress and to help assess the effectiveness of aid.

250. The President emphasized that discussing the MDGs was not a mere statistical exercise but an important framework on which to build a set of goals that could actually drive the debate at all possible levels: globally; nationally, not only in developing countries but also in the developed world; and corporately, on the role the United Nations system had to play in realizing the MDGs. Many delegations highlighted the importance of the International Conference on Financing for Development and the WSSD as one single chain of events that should be carefully considered in an integrated manner.

251. Some delegations stressed the importance of ownership and the country context with regard to efforts by developing countries at the national level. As the Administrator noted, a standardized, rigid approach would not work. The issue of capacity development was underscored.

252. The President indicated that the debate should also be undertaken at the national level in developed countries, where it would be necessary to address the general public and structure the debate around the contributions that the developed world had been making towards realizing the MDGs. It was in developed countries, he stressed, that UNDP would have to fight aid fatigue, where the MDGs served the very important purpose of driving the debate. In addition, the debate should not be confined to UNDG but should be extended to the CEB, international financial institutions and the World Trade Organization.

Common country assessments and United Nations Development Assistance Frameworks

Introduction by Deputy Executive Director, UNFPA

253. The item was introduced by Deputy Executive Director, UNFPA, who said that the CCA and UNDAF were the backbone of the work of the entire United Nations development system. He cited the recent General Assembly resolution on the triennial policy review of operational activities for development (resolution 56/201 of 21 December 2001), which called upon all United Nations organizations to enhance their coordination and collaboration and affirmed the important roles played by these two instruments, with the CCA serving as a common analytical instrument and the UNDAF providing a common planning framework.

254. The CCA and UNDAF had already become an integral part of the programming processes of UNFPA, UNDP and UNICEF, he said, and steps were being taken to ensure that they led to more collaborative programme development and ultimately formed the basis for individual country programmes. Yet there remained considerable room for improvement in the quality and strategic focus of the CCA/UNDAF process, and the agencies had taken steps towards this goal in 2001. The CCA/UNDAF Learning Network had intensified its work to identify and share good practices. Participants at a meeting of regional programme structures organized by the United Nations Development Group Office (UNDGO) in December had discussed ways to involve the regional offices of the UNDG agencies in the CCA and UNDAF processes.

255. UNDG members recognized the need to improve the preparatory process and quality of the CCA and UNDAF and had made this a priority, he said. The agencies were exploring ways to strengthen the capacities of their country offices in that area

and to ensure adequate support from the regional level. An inter-agency task force had been charged with revising the CCA and UNDAF guidelines. In the spirit of resolution 56/201, the task force would ensure that the revision process was inclusive, seeking the views of relevant United Nations bodies, member States and country team members. It was expected that the revised guidelines would be completed and approved by April 2002, and would include the integration of early warning and preventive measures as well as the MDGs.

Comments by delegations

256. Delegations recognized the enhanced collaboration and integration that the CCA/UNDAF had facilitated to date, not only among United Nations agencies but also with national Governments, the World Bank, bilateral donors and other development partners. There was consensus that development cooperation should be based on the poverty reduction strategies, including PRSPs and that the CCA/UNDAF should serve as a means of achieving this alignment, with the CCA leading the way and the UNDAF serving as a country-level United Nations business plan that defined how UNDG members planned to collaborate with national Governments, with each other and with external partners to support poverty reduction goals. There was also a call for UNDG agencies to intensify further collaboration and coordination of activities, particularly at the country level and in emergency situations. One delegation expressed disappointment with the low number of UNDAFs prepared so far and wanted to know how existing ones were being implemented. Another spoke of the need for greater flexibility and suggested that more resources needed to be set aside at the country level to improve the quality of the documents. One delegation said it was pleased with the emerging quality of the CCA/UNDAF but wanted to hear more about its role and impact, to understand how it contributed to better understanding of country situations. This was echoed in the comments of another delegation, which asked for concrete examples of how data gathering and assessments carried out by one agency could be effectively shared with and used by another.

257. Several delegations remarked on the need for stronger national ownership of the CCA/UNDAF process, citing similar findings in the Nordic assessment carried out in 2001. They said that programme countries must take the lead in identifying their own development needs as well as possible strategies for meeting them. The Resident Coordinator system was singled out as one of the best ways to enhance the involvement of national Governments in their own development planning, and calls were made to strengthen that system even further. Finally, there was concern that the UNDAF might just be increasing workloads and adding another layer of bureaucracy.

258. The Deputy Executive Director of UNFPA agreed that better quality of analysis and strategic thinking were needed, and that UNDG members must enhance the capacities of their country teams to harmonize their activities with those of the World Bank and national development partners. He acknowledged that flexibility was important and that the CCA was not always necessary if some other type of suitable assessment already existed. The message to country teams, however, was now clear: the CCA/UNDAF process was no longer optional. UNDG agencies would now review programmes according to the CCA/UNDAF and they expect tremendous improvement in the quality of those documents.

259. The Executive Director of UNICEF said she understood the call for more UNDAFs but stressed the importance of drawing lessons from existing ones.

Although the CCA process could be somewhat more flexible and all UNDG members were looking to see which elements of their procedures were no longer necessary, the MDGs were about poverty and social development while PRSPs were often heavily focussed on economic development. Since the CCA and UNDAF addressed the more social side of development, it was important to make sure the MDGs were built into the CCA and the UNDAF to better reflect what needed to be done.

260. The Assistant Administrator of UNDP said that improved communication was the best way to encourage greater national ownership of the CCA/UNDAF process. Broader ownership was needed within the United Nations system as well. Responding to concerns about increased workloads because of the UNDAF process, he said that while the concerns were well founded, the benefits of greater coordination among UNDG members would eventually outweigh the costs.

261. The Assistant Executive Director of WFP said that the Programme was fully committed to CCA/UNDAF and to sector-wide approaches in general. However, UNDG members must be realistic; sometimes joint programming was possible and sometimes it was not. He then offered an explanation as to why ownership of the CCA/UNDAF process by national Governments was not as strong as some might hope. The process was introduced at the same time that core funding was being reduced, so Governments were being asked to do more work with less financial assistance.

Concluding remarks

262. The President of the UNICEF Executive Board summarized the major points of the discussion. He began by listing some of the advantages of the CCA/UNDAF, saying that these instruments: (a) unified the response to a particular country situation, and were extremely useful for the United Nations as well as for bilateral donors and other international organizations; (b) provided a national context for the MDGs; (c) served as the United Nations business plan with regard to national poverty reduction strategies, including PRSPs; (d) allowed for synergies and sharing of experiences among United Nations; and (e) constituted a dynamic, ongoing process that allowed for the accumulation of lessons learned. The challenges that lay ahead included: (a) the need for more work to ensure greater convergence of the CCA/UNDAF with poverty reduction strategies; (b) the instruments must be reflected in more measurable terms, to allow for monitoring of progress and implementation; (c) ownership must be strengthened at the local level and within the United Nations system; and (d) greater collaboration was needed at all levels, particularly at the country level.

Harmonization and simplification of procedures

Introduction by the Executive Director of UNICEF

263. The Executive Director of UNICEF said that this joint meeting provided a unique opportunity for so many of the key stakeholders in the UNDG development partnership to have an interactive dialogue. It was clear from the earlier discussion that the United Nations, and the UNDG agencies in particular, were responding to the challenges presented in the Secretary-General's reform initiatives, to the call of Member States in the triennial policy review and to the directions established by the individual Executive Boards.

264. She said that in addition to bringing together key United Nations development partners in the broader context of UNDG and UNDG Executive Committees, including important specialized agencies, the organizational structure of the UNDG also provided a platform for active dialogue and collaboration with the World Bank. Through the CCA, an analytical framework had been established in 93 countries, the UNDAF had become the basic tool for programme planning in 48 countries, and United Nations Houses had been established in 46 countries. There was an improved resident coordinator selection process, and mechanisms were now in place to evaluate performance, monitor and share results, and discuss future directions. She stressed the importance of the international consensus on development goals and targets that had emerged around the Millennium Declaration and the outcomes of other major international conferences, including the 1990 World Summit for Children and the upcoming General Assembly Special Session on Children.

265. The Executive Director acknowledged that while progress had been made in harmonization and simplification, the potential existed for further increases in efficiency and effectiveness. Significant achievements had been made in the following areas: common budget formats and budget terminology; agreement on key definitions and modalities for joint and collaborative programming; and common guidance on key areas of country-level coordination. To illustrate the last point, she reported that earlier in the week, the UNICEF Executive Board had approved a simplified process for the preparation, consideration and approval of country programmes of cooperation, similar to the one approved by the UNDP/UNFPA Board in 2001. The revised process would reduce the length of time and workload involved in the design of new programmes of cooperation for national authorities and the relevant United Nations agencies while at the same time preserving and promoting a sound programming process. As a result, it was expected that the revised process would help to eliminate overlaps in phasing and reduce duplication among documents, factors that burdened the previous process. Such changes, she said, responded directly to the calls for harmonization and streamlining of programme procedures, and greater strategic focus and results orientation.

266. She said that while the broad structures of CCA/UNDAF were well established, it was now time to focus on the details of how the agencies operated at the country level and how to improve support to Governments. The triennial policy review highlighted the importance of further work in a number of areas where agencies could simplify and harmonize the way they did business, including: decentralization and delegation of authority; financial policies and procedures; procedures for implementing programmes/projects, in particular monitoring and reporting requirements; common shared services in country offices; and the recruitment, training and remuneration of national project staff. Though not a simple task, she stated that it was being undertaken enthusiastically because it made sense and would improve efficiency and effectiveness.

267. The Executive Director then reported on actions being taken by UNDG in response to the resolution on the triennial policy review. The UNDG Executive Committee had recently approved a results-based work plan for 2002 that included, as an important priority, the triennial policy review, and the tasks identified would be carried out primarily through the UNDG Programme and Management Groups. In addition to the priority need to strengthen the country programme processes of CCA and UNDAF, the bulk of the work over the course of the next couple of years would be in the areas of simplification and harmonization of procedures. The process would identify those areas where complexity or lack of harmony in programme

modalities and practices constituted an impediment to working together, or where they created constraints to efficiency and effectiveness.

268. In conclusion, she said that an initial programme of work, prepared in consultation with key partners, including Governments, would be presented to the Economic and Social Council at its substantive session of 2002. In the end, success would be determined by improvements in the capacity to deliver services. While the UNDG agencies had to ensure that simplification and harmonization added value to their work, she said that in some areas, it might make more sense to rationalize their involvement and for each one to focus on those areas and approaches where they had a comparative advantage. The UNDG had already begun the process of revising and updating the CCA and UNDAF guidelines, and among the guiding principles for the process was the need to ensure a flexible process that reduced the burden on all partners.

Comments by delegations

269. The Vice-President of the WFP Executive Board said that in view of the mission of WFP to ensure the provision of emergency food to vulnerable populations and to rehabilitate disaster and conflict areas, harmonization with the work of other organizations was essential. On numerous occasions, WFP had stressed the importance of harmonization, and was working to implement the relevant recommendations. He acknowledged that detailed methods might require some changes on the part of the organization, but at the current stage of the reform process in WFP, harmonization could be pursued effectively. In that connection, WFP had created a working group, which would be preparing a note on the overall process for submission to its Board.

270. Delegations recognized the importance of efforts by United Nations operational agencies to harmonize and simplify procedures, as well as the progress made to date. A speaker stated that the Secretary-General's report recognized the need for a real breakthrough in this area. He welcomed the resolutions adopted by the General Assembly, which were especially strong in advocating for increased simplification and harmonization, and pointed the way forward for years to come. While expressing their support, however, some speakers noted that there was still a lot of work to be done. For example, there was a need for more coherence in efforts by the United Nations, especially in view of the overall reduced level of regular resources. In that connection, one delegation urged the funds and programmes to accelerate efforts to reduce costs. A speaker raised a question about whether harmonization procedures were flexible enough, bearing in mind the differences in country situations. While recognizing the benefits of harmonization, another speaker wanted to know why the process was being implemented through the triennial policy review. Since harmonization and simplification were only the means to achieve the goals, success would be determined by the improved ability to deliver services.

271. Another speaker reported on his Government's involvement in the harmonization of donor procedures, in cooperation with the World Bank and other donors. It was important, he said, for United Nations agencies to participate in wider forums and he wanted to know about plans in this area. The Executive Director of UNICEF replied that generally speaking, harmonization and simplification remained within the broader United Nations context, and that its membership would continue to expand. Concerning the range of donor procedures, she said that this needed to be looked at as well. The Deputy Executive Director of UNFPA reported that consultations had been held with the World Bank, the Bretton Woods institutions,

bilateral agencies and regional development banks. There was also scope for working more closely with the Organisation for Economic Co-operation and Development/Development Assistance Committee.

272. Many interventions addressed the harmonization of programme cycles and the programme approval process. Several delegations commented positively on the recent approval by the Executive Boards of UNICEF and UNDP/UNFP of their programme approval processes, and encouraged other organizations to join in this effort, which would facilitate work for all partners. One speaker also said that to further improve the process, perhaps the rules and procedures should also be harmonized, although there could be some flexibility in this regard. A delegation remarked that WFP was not following the harmonization of programme procedures as closely as the other funds and programmes, and asked whether this situation would change. The Executive Director of UNICEF responded that UNDG was not in a position to tackle all of the issues in the area of administrative procedures and personnel policies, but had begun to look for some harmonization in those areas. They would be reviewing this systematically with senior staff to determine where streamlining was possible. Specifics would be provided at a later date. The President of the WFP Executive Board, who was also chairing this part of the meeting, assured delegations that WFP followed developments in New York very closely, but that it had to report to both the United Nations and FAO. Its Executive Board, however, approved its procedures. The Assistant Executive Director of WFP added that the organization was fully involved in all areas of harmonization through its liaison office, and that WFP would review what could and could not be harmonized and how. Regarding the timing, he said that there were specific requirements for interfacing with FAO. However, there were no problems with anything internal to the WFP secretariat.

273. Speakers placed particular importance on the discussion of the programme of work for simplification and harmonization. According to the relevant resolution, the Executive Boards of the funds and programmes were to be involved in the process, and a delegation wanted to know how this interaction between agencies and governing bodies would function. The same speaker wanted to know how to ensure that progress was made and how it should figure on Board agendas. In response, the Executive Director of UNICEF said that the Executive Boards of the funds and programmes would be engaged through their annual reports to the Economic and Social Council. The secretariats would have to submit any proposed changes to their Boards for approval.

274. On the institution of joint meetings of the Executive Boards, one speaker said that the present meeting showed that scheduling a whole day for deliberations was warranted. He said that next year, preparations for the meeting, i.e. the agenda and any background papers, should begin well in advance. The joint meeting was an ideal forum for the discussion of issues such as harmonization and simplification. It was suggested that legal formalities be explored as the joint meeting had no decision-making role, and that perhaps delegations should be able to make recommendations. The Executive Director of UNICEF said that it was up to Member States to bring the issue of joint Board sessions to the attention of the Economic and Social Council, including its role. The identification of appropriate subject matters for a joint session might prove difficult in view of the different mandates of each of the funds and programmes.

275. On the subject of joint offices, one delegation remarked that where agencies had small programmes there seemed to be a fear of a loss of identity, and asked

whether any thought had been given to this concern. Another speaker supported the rapid implementation of common premises or a United Nations House. He highlighted joint work in his country and two others, especially in the aftermath of Chernobyl, and appealed to the funds and programmes to continue efforts to implement the United Nations strategy there. The Executive Director informed that UNDG was embarking on a feasibility study on joint offices.

276. A delegation suggested that the funds and programmes consider joint field visits by their Executive Board members. The same speaker also called for better inter-agency coordination and wanted to know what was envisaged to streamline the process. The need for joint evaluations was also stated. While agreeing with the notion of joint field visits, the Executive Director of UNICEF felt that they would focus more heavily on coordination issues, with programmatic matters of secondary concern. It might be possible, however, to organize joint field visits by board members that took both into account.

277. The modification in the resident coordinator system was welcomed. The view was expressed that this would lead to improved competency of candidates and, hopefully, to an increase in the number of women candidates.

278. Several speakers raised the issue of financial reporting. Concern was expressed that the use of different software and rules could lead to high transaction costs. Another speaker stressed that the goal was to reduce costs while maintaining programmatic effectiveness. The Executive Director of UNICEF said that one way to help reduce transaction costs would be to reduce donor reporting, especially for programmes funded from specific-purpose contributions. She said that some progress had been achieved, but more remained to be done. This was an area in which there was a real need for simplification and she urged donors to look at this.

279. Questions were also raised about what was being done in the following areas: (a) harmonization in the area of information technology, especially in terms of upgrading systems; (b) facilitating staff mobility across organizations; (c) the use of evaluations/lessons learned and of appropriate evaluation methodology, and how to measure the success of UNDAF; and (d) simplifying donor procedures, and sharing of knowledge, methodologies and lessons learned to inform both donors and programme countries alike. Another speaker wanted to know what were the most pressing priorities. Regarding harmonization in the area of information technology, the Executive Director of UNICEF said that it was on the organization's "to do" list. UNICEF had established a New York-based coordination group to deal with the issue. Staff mobility across organizations was already being facilitated by having Resident Coordinators appointed from other agencies and through the Inter-Agency Mobility Programme. She agreed that more could be done in the area of evaluation and sharing of information and technologies, especially reporting on results. Regarding priorities, she said that the Executive Committee had discussed the matter and had identified support for quality and management as two important issues.

Concluding remarks

280. The President of the WFP Executive Board provided a brief summary of the introductory statements. The Executive Director of UNICEF had addressed progress made to date on simplification and harmonization aimed at reducing costs and building national capacity, while stressing government ownership of the process. She also outlined the next steps to be taken by the UNDG, which would be reported to the Economic and Social Council at its substantive session of 2002. The Assistant Executive Director of WFP had outlined the work plan and said that the country

programming exercise and review were under preparation. Following consultation, a report would be prepared by October 2002. He added that projects had been developed in 33 countries. The President also noted some of the comments made by delegations during the deliberations, including the need for further efforts in harmonization and simplification, the devolution of authority, staff mobility and shared office space. In their responses, the heads of the agencies said that they were committed to considering the suggestion to hold joint meetings and would work out the modalities. They also agreed that any reports should be prepared well in advance of the meeting. They encouraged their Bureaux to take up those issues.

Staff safety and security

Introduction by Assistant Executive Director, WFP

281. The Assistant Executive Director, WFP, said that while the events of 11 September had called into question the adequacy of security standards world-wide, they should not overshadow the substantial progress made in terms of security by the United Nations in the past year. A series of initiatives begun at inter-agency level had progressed to the General Assembly, resulting in the development of the Minimum Operating Security Standards and Minimum Security Telecommunications Standards; recommendations for improving collaboration on staff security between United Nations organizations and their intergovernmental organization or NGO partners; and the establishment of an inter-agency forum on aircraft safety.

282. Another major accomplishment had been the agreement resulting from a request by the General Assembly in December 2000 asking the Secretary-General and the heads of United Nations agencies to develop effective cost-sharing arrangements for the United Nations security management system. The new arrangements, which would rationalize the deployment of 100 field security officers, had taken effect on 1 January 2002. Since then, the operational agencies had held weekly conference calls with the Office of the United Nations Security Coordinator (UNSECOORD) to determine the best distribution of security resources within the United Nations system. The United Nations and five agencies — UNDP, UNHCR, UNICEF, WFP and WHO — accounted for over 75 per cent of field staff. Based on an agreed formula, of the $53 million in total security-related costs for the biennium, the United Nations would pay $11 million and the other five agencies $31 million, leaving $11 million to be shared by the remaining 21 agencies.

283. In addition, he said, the General Assembly had recently requested the Secretary-General to prepare a comprehensive report on the establishment of a clear mechanism of accountability and responsibility, including scope, depth, common standards and methods of enforcement, in an inter-agency structure. The members of the High-Level Committee on Management (HLCM) had defined terms of reference for the establishment of a robust governance mechanism to ensure that adequate staff security was managed effectively within the United Nations system.

284. Real accountability rested with the perpetrators of crimes against humanitarian workers, he said. Since 1992, United Nations agencies had lost 204 civilian staff to violence and today, staff continued to be detained, attacked or killed in the exercise of their duties. Member States and the agencies must continue to advocate in all forums that host Governments exercise their responsibility to ensure the safety and security of humanitarian workers and to bring perpetrators to justice. The question of the neutrality of staff must be kept in mind. United Nations staff needed protection by States as well as by their own security officers. There must be a

culture of protection of United Nations humanitarian personnel, in terms of a legal framework but also within communities.

285. A representative of UNSECOORD said that good security required adequate resources. Given the recent changes to the management, structure and resources of its security, the United Nations was now in a position to do a better job in this area. The result would save the lives of staff members, six of whom had been killed last year.

286. A speaker said that good security depended on close cooperation between all agencies on the ground. A flexible approach was needed, but each agency did not need its own full-blown security apparatus. The system needed clear and open communication, with well-defined lines of responsibility and accountability. She asked what mechanisms were being developed or had been put in place in response to the request for the report on accountability. Another stressed the accountability of host Governments and said that the United Nations must do everything possible to allow its staff work in safety. One problem was the chronic mistrust of United Nations staff and NGOs in some communities. She welcomed the increased attention to the issue by the Security Council, the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions. A third delegation added that the Sixth Committee was also working to strengthen the Convention on the Safety of United Nations and Associated Personnel.

287. The representative of UNSECOORD said that the present system of accountability was a documented policy detailed in the Field Security Handbook, with the Secretary-General ultimately accountable. A Designated Official in each duty station, responsible for all staff members, met frequently with the Security Management Team, including the heads of agencies, in the duty station. UNSECOORD was preparing a proposal to strengthen this system, which would be presented first to the February inter-agency meeting and then to other bodies, including the HLCM, for final approval. The Assistant Executive Director, WFP, said that issue of accountability must be widened so that the authors of crimes against staff could be brought to justice.

288. The Deputy Executive Director, UNFPA, said he understood from personal experience how important the issue was, having been attacked himself and also having had to negotiate for the safety of staff during his career. It was important to have good support and communication and to use good judgement. He stressed that local staff often helped to saved the lives of international staff and themselves needed proper support. The Executive Director, UNICEF, stressed the changing environment in the world, which was marked by internal conflict, less respect for humanitarian workers and killings and abductions that happened with impunity. In this context, the safety and security of its staff must be central to the work of the United Nations. The agencies took seriously the issue of accountability, but needed the ability to make decisions at field level, where they often had to be made quickly. The Administrator, UNDP, said that the heads of all the agencies felt deeply about this subject and had long been troubled by the lack of resources. As the United Nations was embarking on a major mission in Afghanistan, these issues would become even more important.

Summary by the President

289. Summarizing the discussion, the President of the UNICEF Executive Board said there was strong consensus to address the problem of staff security, with the most important bodies of the United Nations taking a stand on it. These included the

Security Council, the General Assembly and now the Executive Boards of the funds and programmes, which were part of the Economic and Social Council. The discussion had raised a wide variety of issues, including:

(a) The question of responsibility, with the host country bearing prime responsibility for the safety of United Nations personnel;

(b) The question of accountability, which would require further discussion, based on the report of the Secretary-General that was under preparation;

(c) The issue of financing and who would bear the costs for improved security, and whether this would be from regular budget or alternate mechanisms;

(d) There was a complex system of cooperation involved, not only within the United Nations system but with the Governments of host and donor Governments;

(e) The decisions to be taken on the institutional structure within the United Nations and any necessary changes to that system.

Other matters

Briefing on the Tokyo Conference on Afghanistan

290. The Administrator, UNDP, briefed the Executive Boards about the International Conference on Reconstruction Assistance to Afghanistan, which had taken place in Tokyo on 21-22 January. He said that the Conference had been an extraordinary success for the entire United Nations family, marked by high-level attendance and strong support from donors, with a total of $1.8 billion pledged for the first year and $4.5 billion in multi-year pledges. The Conference, which had focused on recovery and reconstruction because immediate humanitarian needs were covered by other appeals, had raised a number of issues about the recovery effort. First, given concerns of the Interim Administration about time, follow-up would be critical. There was also some scepticism among donors about the plausibility of the recurrent costs cited by the Interim Administration, as well as questions about how money much the new Government could plausibly spend well. The UNDG, the Asian Development Bank, the World Bank and some donors had argued that peace-building was more than the sum of a group of projects. The critical link was to restore trust in the central Government, because projects alone would not substitute for the Government meeting the needs of its people. The relationship between government and people was at the heart of peace-building in Afghanistan.

291. Security was one of the most critical and most difficult development challenges and a major concern to all Afghans, he said. They wanted law and order in their villages, community policing and a justice model. Other priorities were to get children back to school by 21 March; the recovery of the agricultural economy; the creation of economic activity in the form of public works — a "peace dividend"; and demobilization, demining and the return of refugees.

292. From the perspective of the United Nations, he said, the Conference had ensured for the first time that there was adequate focus on and funding for relief and reconstruction. It was the first time that the gap between the two had been bridged successfully. There were two sides to the peace building effort, and Mr. Lakhdar Brahimi, Special Representative of the Secretary-General for Afghanistan, would work with the Interim Administration, which would be in charge of the entire process, consulting on such issues and priorities as programmatic frameworks and the use of the Trust Fund. Decisions about development thus would not be

politicized. The Secretary General's appointment of Nigel Fisher of UNICEF as Deputy Special Representative for Humanitarian Affairs in Afghanistan was especially welcome because he had a mandate for coordinating developmental and humanitarian operational activities.

293. In closing, he mentioned the wide-ranging support from traditional and non-traditional donors at the Tokyo Conference, citing contributions from Saudi Arabia, India, Pakistan and the Islamic Republic of Iran as examples of south-south cooperation.

294. Delegations expressed appreciation for the renewed commitment by the United Nations and by donors to Afghanistan, stressing, however, that peace still had not been secured and that the international community had to support the political process to ensure security in the country. One delegation said that the refugee dimension must not be forgotten, given the large number of refugees in neighbouring countries. The speaker expressed the hope that efforts to rebuild Afghanistan following over two decades of devastation would lead to an atmosphere of peace and security. Reconstruction of the ruined infrastructure was a concrete action that would contribute to strengthening the central Government. Intensified international cooperation would be required to materialize the reconstruction plans. Another speaker said that the cooperation between United Nations agencies and the amount of resources pledged was impressive. However, her country knew from experience that once the acute emergency phase of a disaster was over, a lot of the impetus could be lost. A delegation stressed the importance of ongoing coordination of United Nations activities, and that the coordination framework should include the United Nations Office for Drug Control and Crime Prevention.

295. The Administrator, UNDP, said the United Nations must deliver on its pledges and make sure they are translated into programmes. Information would be provided through the internet, in cooperation with the Interim Administration, thus ensuring the ownership of the Interim Administration. He thanked the Government of Japan for its support, and expressed special thanks to Mrs. Sadako Ogata, former United Nations High Commissioner for Refugees, who had chaired part of the Conference.

Tribute to Catherine Bertini

296. The Executive Director, UNICEF, paid tribute to Catherine Bertini, Executive Director of WFP, who would be leaving that position at the end of her term in April. She said that Ms. Bertini, who was a fellow New Yorker, had provided strong and effective leadership for WFP, which was now the world's largest humanitarian agency.

Part two
Annual session

Held in Geneva from 17 to 28 June 2002

I. Organizational matters

1. The annual session 2002 of the Executive Board of UNDP and UNFPA met from 17 to 28 June in Geneva. At the session, the Executive Board approved the agenda and work plan for its annual session 2002 (DP/2002/L.2), as orally amended, and the report of the first regular session 2002 (DP/2002/10).

2. It agreed to the following schedule of future sessions of the Executive Board in 2002 and 2003:

Second regular session 2002:	23-27 September 2002
First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York)
Second regular session 2003:	8-12 September 2003

3. The scheduled dates for the annual session were approved on a provisional basis and would be taken up at a forthcoming meeting of the Bureau of the Executive Board. At its annual session 2002, the Executive Board held a UNFPA special event on "The role of women and men in reproductive health in post-conflict situations, with a specific focus on the Great Lakes Region".

UNFPA segment

II. Report of the Executive Director for 2001

Annual report for 2001

4. In her statement to the Executive Board the Executive Director addressed several important issues, including the challenges that UNFPA faced. First, she took the opportunity to warmly congratulate the Swiss people on the popular initiative to join the United Nations. She went on to note that the annual report provided a comprehensive overview of the UNFPA programme in 2001. The report touched on major events, key activities in core programme areas, efforts to help programme countries build national capacity, and selected financial and programme highlights of UNFPA, both for the organization as a whole, as well as region by region. The report also contained information on items specially requested by the Executive Board, including the Fund's efforts in reproductive health commodity security and in humanitarian assistance; the status of financial implementation of UNFPA country programmes; and the Fund's multi-year funding framework (MYFF) among others.

5. The Executive Director highlighted the six organizational priorities of UNFPA designed to strengthen the Fund's capacity as the lead agency in implementing the Programme of Action of the International Conference on Population and Development (ICPD) and the ICPD+5 agenda and to increase the Fund's relevance in the global campaign to reduce poverty, protect and enhance human rights and promote peace and security. The first organizational priority for 2002 was to adapt quickly to change. The UNFPA transition process had provided the opportunity to examine the internal working of the Fund and the external environment in which it operated, so as to identify immediate and medium-term reform needed to transform

UNFPA into a more effective development organization. The second priority was to stem the tide of declining contributions. This was a top priority and a formidable challenge. The income situation for 2002 was not as promising as hoped, but UNFPA was encouraged by the recent additional contributions from the Netherlands and New Zealand, with indication of such contributions from others. Current projections showed a nearly 30 per cent drop in total income compared to 2001. A decision was still pending concerning the contribution of a major donor. She emphasized that, should the tide of declining resources continue, UNFPA would not be able to deliver its programmes to meet people's needs.

6. She noted that the third organizational priority for 2002 was to make UNFPA an effective force for development. The primary objective was to strategically position the Fund in international efforts to reduce poverty, protect and enhance human rights, and promote peace and security. To achieve that, UNFPA would firmly link its mandate with those initiatives, particularly within the context of the Millennium Development Goals (MDGs). The Fund would also seek to participate actively and effectively in such development frameworks as the Poverty Reduction Strategy Papers (PRSPs) and sector-wide approaches (SWAps) and build partnerships with government counterparts and other development partners — both within and outside the United Nations system. She stated that UNFPA had already taken action to seek support to build its capacity in those critical areas.

7. The fourth organizational priority was to be proactive in advocating the ICPD Programme of Action. In recent months, opponents had intensified their efforts to disrupt the implementation of the Programme of Action and undermine the work of UNFPA. The Fund would need to actively counterbalance the arguments and strategies of those opponents and foster an enabling environment to promote the ICPD Programme of Action and the work of UNFPA. She underscored that UNFPA recognized that the truth was its greatest ally, and the Fund would continue to follow the course in refuting distortions, disinformation, misinterpretations and lies wherever, and whenever they were encountered.

8. The Fund's fifth organizational priority was two-fold: (a) to clarify, better define and operationalize the concepts of reproductive health and reproductive rights in a coherent programmatic framework; and (b) to define a coherent and comprehensive humanitarian response strategy. The first would take into account, and be sensitive to, the diverse social and cultural settings in which UNFPA worked; the second would respond to the renewed focus on peace and security in the United Nations system. Towards that end two organizational units would be combined to form one in the Technical Support Division, called Culture, Gender and Human Rights. She thanked the Swiss Government for funding for the post. She observed that the sixth organizational priority anchored the other five. It was to manage for results. The aim was to fully mainstream the principles and concepts of results-based management (RBM) throughout the administrative and programmatic operations of the Fund. She underscored the importance of knowledge sharing and emphasized that it could significantly improve the quality and effectiveness of UNFPA programmes and operations, enhance staff interaction, foster a sense of team spirit at all levels, and greatly improve the support UNFPA provided to its country offices. UNFPA has therefore developed a knowledge sharing strategy, which consisted of three main elements: people, process and technology.

9. She stated that none of the aforementioned work would have been possible without the support of the Governments of Sweden, Switzerland and the United Kingdom, as well as the support provided by The Bill and Melinda Gates Foundation, The William and Flora Hewlett Foundation, The John D. and Catherine T. MacArthur Foundation, The David and Lucile Packard Foundation, The Rockefeller Foundation, and the United Nations Foundation. She noted that all of the actions of the transition had been designed with the goal of strengthening UNFPA field operations. Examples of results to date in the different change areas were included in an information note entitled, "UNFPA in Transition: Implementing Change (June 2002)", which had been shared with members of the Executive Board at the informal briefing earlier in New York. She highlighted a few key results that demonstrated the Fund's commitment to implementing change, and that would have the greatest immediate effect in strengthening UNFPA field operations for the achievement of ICPD goals and relevant MDGs, namely, the design and application of a country office typology; the development of a human resources strategy; and ensuring a clear strategic direction.

10. Concerning the Fund's income situation, she stated that according to current projections, regular resources income for 2002 was estimated at $233 million. That was approximately 14.3 per cent less than the $268.7 million UNFPA had received in regular resources in 2001. She noted that the decrease was the result of several factors: fairly sizeable decreases in contributions in both national currencies and United States dollars from two major donors; the uncertainty of a sizeable contribution from one major donor; and the loss in United States dollars on exchange among five major donors that maintained their contributions at 2001 levels in their national currencies. She pointed out that the contributions of eight major donors increased in terms of both national currency and United States dollars. She underscored that regular resources were essential for maintaining the multilateral nature of the Fund's work and ensuring effective programme management. She added that other resources, such as multi-bilateral contributions, were also very important and helpful, as they were used to complement and supplement the activities financed by the regular resources. She outlined some of the potential consequences resource shortfalls could have on the Fund's country programmes.

11. She thanked all of the Fund's 120 donors for their support in 2001. She conveyed special thanks to the European Union Council of Ministers for Development Cooperation for their strong support of UNFPA and for the resolution adopted unanimously on 30 May 2002, signalling, inter alia, that the European Commission intended to strengthen its cooperation with UNFPA. The Executive Director also thanked the many parliamentary networks and parliamentarians throughout all regions for supporting and promoting the work of UNFPA.

12. During the discussion that followed numerous delegations thanked UNFPA for its leadership role in reproductive health and population matters. In particular, delegations appreciated the Fund's assistance and cooperation in national capacity-building, reproductive health, HIV/AIDS prevention, reproductive health commodity security, women's empowerment and advocacy. Numerous delegations expressed deep concern about the precarious funding situation of UNFPA. While underscoring their full support for the Fund, delegations urged donors to increase their contributions to UNFPA in light of the commitments made at the conference on Financing for Development. Several delegations thanked Luxembourg for launching an initiative in the European Council to catalyse European support for UNFPA.

Delegations were pleased to note that the European Union Development Cooperation Ministers had adopted a resolution, at their Council meeting in May, supporting UNFPA and calling for strengthened cooperation with the Fund.

13. Several delegations expressed concern regarding the false allegations, lies and disinformation levelled against UNFPA. While underscoring that truth would be the Fund's greatest ally, delegations condemned the campaign to discredit the Fund. Delegations expressed their full trust in the work of UNFPA and urged the Fund to proactively increase its visibility, including through increased dissemination of its publications. One delegation stated that the attacks on UNFPA had in fact served to make the Fund a much stronger organization. UNFPA had met the challenge by becoming even more transparent and increasing its awareness-raising work. Noting that reproductive health issues were often sensitive, complex and technical, the same delegation urged the Executive Board to set aside time during future sessions for briefings on the medical and social implications of reproductive health issues such as STDs, fistula and violence against women. The delegation urged UNFPA to convey simple and clear messages that underscored its valuable work in saving lives and improving the health of mothers and children.

14. One delegation called on other United Nations agencies, including UNDP, UNICEF and WHO to demonstrate their support for UNFPA and its work to improve the sexual and reproductive health of the poor. The delegation referred to a recent visit to China by three members of parliament from its country to examine UNFPA programmes that had been the subject of unfounded allegations of coercive family planning activities. One of the members of parliament had strong views against UNFPA prior to the visit. However, at a recent debriefing meeting with the Secretary of State in their own country, the three members of parliament had been unanimous in their statements of support for UNFPA programmes in China and had remarked that UNFPA was a real force for good in China. They were confident that UNFPA was not supporting coercive activities in China and that it was, in fact, a catalyst for reform and sexual and reproductive health care and rights in China.

15. Several delegations commended the Fund's progress with its transition process that aimed at providing UNFPA with both strategic direction and a streamlined structure to improve operational effectiveness. Delegations welcomed the Fund's new emphasis on the sociocultural context of programme development and delivery. Delegations stressed that it was important that UNFPA have a role in the follow-up to the World Summit on Sustainable Development (WSSD). One delegation asked how UNFPA perceived the challenge of engaging staff at all levels in the discussion on HIV/AIDS and the Fund's strategy. One delegation urged the Fund to be forthright and transparent in its reporting and to continue to refine its evaluation processes which should be impartial, objective and multi-tiered.

16. One delegation highlighted its country's support for women in development projects in Africa and announced the forthcoming launch of a new initiative to alleviate hunger in villages in rural Africa. The delegation hoped that the Fund's technical expertise could be utilized to reinforce those initiatives in Africa. Referring to adolescent reproductive health, the delegation urged UNFPA and UNICEF to work closely so as to avoid duplication. One delegation encouraged UNFPA to study the UNDP experience with multi-donor thematic funds and consider ways and means to adopt thematic funding. The delegation observed that

the example of Afghanistan and other emergency situations showed that UNFPA would benefit from more flexible financial mechanisms.

17. Several delegations commended the Fund's rapid response to emergencies and the humanitarian assistance it provided, including in Afghanistan. Some delegations encouraged the Fund to undertake South-South cooperation in Afghanistan, including with its neighbouring countries. Delegations were pleased to note the Fund's increased involvement in the consolidated appeals process and underlined that the Fund was well positioned to contribute to bridging the gap from relief to development.

18. Delegations stressed that building national capacity and promoting national ownership should be central to UNFPA activities. One delegation noted that capacity-building should not be confined to reproductive health but should include all aspects of population policy. One delegation stressed that UNFPA should make maximum use of local experts and also strengthen their capacity. Referring to paragraph 24 of the report (DP/FPA/2002/4 (Part I), one delegation wondered whether the Fund had a systematic approach to capacity-building. One delegation stated that it was important to formulate benchmarks and indicators for strengthening capacity-building. One delegation was concerned that UNFPA was using the "resource delivery rate" measure that did not accurately reflect programme performance. One delegation cautioned that the RBM approach should not lead to micro-management of UNFPA by donors or to the introduction of conditionalities for either UNFPA or programme countries.

19. Delegations stated that a number of the MDGs related directly to reproductive health and rights, the prevention of HIV/AIDS and the reduction of maternal mortality. One delegation noted that the report lacked a focus on the MDGs. The delegation stated that it was essential that ICPD goals on reproductive health be included and reported in the country-level reports on the MDGs. The delegation urged UNFPA to participate in the follow-up to the Millennium Declaration and to advocate the use of the MDGs in the CCAs, UNDAFs and PRSPs to give momentum to safe motherhood and the provision of basic health services to the poor. One delegation pointed out that while the General Assembly had requested a global report on the MDGs, there had been no approval given for country-level reports.

20. A number of delegations expressed support for the leading role played by UNFPA in the area of reproductive health commodity security. One delegation asked UNFPA to enhance the integration of reproductive health commodity security in the country programmes. The delegation urged UNFPA to finalize the list of essential reproductive health commodities and conduct country-specific surveys to avoid commodity shortfalls. One delegation encouraged UNFPA to adopt a proactive role in enhancing the production of reproductive health commodities in developing countries. The same delegation added that that objective could be advanced by further UNFPA procurement from those countries. In that regard, the delegation urged UNFPA to identify and dismantle entry barriers faced by companies from developing countries.

21. The Executive Director thanked the delegations for their strong statements of support and the confidence placed in UNFPA. She emphasized that resource mobilization was a top priority for UNFPA. As part of its resource mobilization strategy, the Fund was seeking to increase contributions, multi-year pledges, new donor partnerships and new income options. The Fund was also endeavouring to

strengthen its partnership with the European Commission. She noted the success in establishing a partnership with the OPEC Fund, and underscored the success in cost-sharing with a number of programme countries.

22. Concerning the Fund's communication policies, she stated that UNFPA was a transparent organization and disseminated information widely, including through publications, videos and its web site. A crisis-response team had been established and it, inter alia, provided rapid responses to incoming queries. The Fund had provided a full range of information in response to recent queries from several governments. The Fund was arranging speakers for groups that requested them. She agreed with the delegation that had underscored the importance of conveying clear and simple messages about saving lives and healthy mothers and children. She underscored that truth was the Fund's best ally in confronting the false allegations levelled against it.

23. Regarding the MDGs, she noted that access to reproductive health had not been included in the eight MDGs, even though UNFPA had endeavoured to get it included. She fully concurred that access to reproductive health was essential to achieving the MDGs. She observed that the Fund was trying to ensure that countries would include information on access to reproductive health in their national reports. Three of the eight available national reports had included that indicator. She noted that the national reports were posted on the MDG web site. She concurred that a global report had been legislated. She underscored that UNFPA was participating in the Secretary-General's initiatives concerning MDG follow-up, including the costing of MDGs; and various UNDG activities such as an international advisory panel and 14 working groups, inter alia, on poverty, gender, HIV/AIDS and maternal mortality. She stated that UNFPA was indeed trying to link the MDGs to PRSPs and SWAps, and it fully recognized the importance of participating in PRSPs and SWAps. Towards that end, a proposal was being prepared to seek support to enhance the Fund's capacity to participate in PRSPs and SWAps. Assistance, including training, would be provided to country offices to build such capacity. She noted that UNFPA had a joint training programme with the World Bank on PRSPs.

24. With reference to the Fund's new emphasis on the sociocultural context, she noted that UNFPA had organized meetings and workshops to discuss key issues and approaches. An effort was under way to systematize the incorporation of social and cultural issues in programme design, development and delivery. She stated that UNFPA was enhancing its relationship with faith-based organizations that had accepted the ICPD Programme of Action. She expected that by the end of the year guidelines would have been established.

25. The Executive Director noted that UNFPA had been actively involved in several humanitarian responses during the year, including in Afghanistan, where it was rehabilitating two hospitals and a school for girls. In partnership with other donors, UNFPA was also providing emergency health care. The Fund was supporting projects for refugees in Pakistan. She stated that UNFPA was the official coordinator for reproductive health in Afghanistan, and the lead agency for establishing the population and statistics office.

26. With regard to the WSSD, she urged delegations to ensure that the linkage between population, environment and sustainable development was included in the declaration. She noted that by 2050 the population of developing countries would

almost triple in size. She underscored that that would have serious implications for poverty reduction and sustainable development.

27. Concerning reproductive health commodity security, the Executive Director pointed out that workshops were being organized for field staff. UNFPA was also working with WHO on the list of essential reproductive health commodities and would produce a joint publication. She noted that UNFPA had begun a pilot initiative to cost reproductive health programmes so that country offices could better link resources with results. She stated that UNFPA already procured a number of reproductive health commodities from developing countries. She agreed that any barriers preventing procurement from developing countries should be eliminated.

28. Regarding the query on HIV/AIDS, she noted that UNFPA had adopted the ILO code on HIV/AIDS. The Fund was providing HIV/AIDS information to its own staff and recognized the importance of making information available in local languages and promoting peer counselling. UNFPA planned to hire an HIV/AIDS adviser to address the needs of the Fund's own staff. She noted that there was a need to develop skills on how to speak about HIV/AIDS, ensuring that people were not stigmatized.

29. Noting that it had only been a year since the transition process had begun, she stated that implementation activities would begin in July. She informed the Executive Board that a Strategic Planning Unit would be established in the Office of the Executive Director. As part of the Fund's realignment, a Knowledge-Sharing Branch had been established and the Humanitarian Response Group would now report directly to the Deputy Executive Director (Programme). In September, UNFPA would present its human resources strategy to the Executive Board at the second regular session.

30. The Executive Director underscored that the Fund's capacity-building efforts were not confined to reproductive health but covered all aspects of population. With regard to population policy, UNFPA had worked with numerous governments to establish population units and various coordination mechanisms. She underlined that national execution had always been the Fund's policy. UNFPA depended on national staff for its programming. The Country Technical Services Teams (CSTs) played a key role in providing technical assistance and strengthening capacity-building of staff and institutions at national, regional and subregional levels.

31. She agreed that RBM should not create any conditionality and noted that in paragraph 11 (a) of decision 98/24 it had been clearly stated that the MYFF would not introduce any conditionality. Regarding thematic funding she noted that UNFPA had some experience in that area and would also compare notes with UNDP on the subject. She underscored that eradicating poverty was at the heart of the MDGs and the ICPD and UNFPA was guided by that overarching concern. She noted that the Fund's next report on State of World Population would focus on population and poverty.

32. The Deputy Executive Director (Programme) assured the Executive Board that UNFPA was working seriously on the ICPD mandate, in partnership with governments, bilateral and multilateral agencies and NGOs. He noted that steady progress was being made in the area of coordination. The Fund was also committed to providing leadership in the area of reproductive health commodity security. He expressed concern about the safety of staff in war-torn countries. He noted that in

areas of conflict and strife difficulties in programme implementation would be encountered. He underscored the Fund's key role in humanitarian assistance and stated that UNFPA was fully participating in the consolidated appeals process.

The multi-year funding framework

33. During the discussion on the Report of the Executive Director for 2001: the multi-year funding framework (DP/FPA/2002/4 (Part II), several delegations welcomed the excellent progress made and the attempt to document results. Delegations agreed with the key considerations put forth in the MYFF. Delegations noted the improved quality of the report and hoped that further improvements would be forthcoming. One delegation stated that it was already time to begin considering the next MYFF cycle and how to refine it. One delegation, while appreciating the activity table, observed that it was difficult to determine the number of countries in which results had been achieved, who were the beneficiaries, and how many people had benefited from the programmes. The delegation added that it would welcome an analysis of lessons learned and applied. One delegation stated that the report should discuss in greater detail global and regional programmes as well as programmes financed through other resources. Numerous delegations emphasized the importance of national capacity-building and underscored that it was a key to success. One delegation stated that it was encouraged by UNFPA efforts to develop national capacities in the area of reproductive health commodity security. The delegation added that that could be further enhanced by undertaking procurement from developing countries. In that regard, UNFPA should identify entry barriers faced by firms from developing countries and should organize a procurement seminar to inform developing countries about its procurement policies and to learn from them what they perceived as barriers.

34. Several delegations expressed concern regarding the availability and reliability of data and urged UNFPA to invest more in that area, including continuing its efforts to build data collection capacities in programme countries. One delegation cautioned that in helping countries to build their statistical systems the Fund should avoid creating parallel systems. Delegations asked about UNFPA collaboration with other partners in improving the reliability of data and wondered to what extent UNFPA was pooling resources, expertise, and lessons learned with other operational United Nations agencies to arrive at a common strategy that best addressed the data issue. One delegation urged UNFPA to develop practical measures and guidelines for building national capacity in the collection and analysis of data as part of any new country programme. One delegation encouraged the Fund to strengthen its partnership with programme countries to enable them to take a leading role in such areas as programme development, evaluation and monitoring. The delegation welcomed the ongoing information exchange between UNFPA headquarters and the country offices and between the country offices and governmental and non-governmental organizations.

35. Delegations commended the Fund's efforts in mainstreaming gender equality and equity. One delegation encouraged the Fund to increase its collaboration with United Nations Development Group (UNDG) partners, particularly with regard to the CCA and UNDAF and urged the Fund to enhance its participation in SWAps and PRSPs. Regarding the Fund's new emphasis on cultural values, the delegation underscored that it should be in the context of and in line with universal human

rights. The delegation noted that the MYFF served as a tool to increase the Fund's visibility and to define the challenges ahead. The delegation stated that the Board should look at how the MYFF could be made a tool for generating regular resources and suggested that informal inter-sessional discussions on that topic should be held. Noting that the MYFF report was a tool for UNFPA to assess its own performance, one delegation pointed out that it was the demonstration of effectiveness that would encourage donors to increase their contributions to UNFPA.

36. Delegations supported the addition of two goal indicators — contraceptive prevalence rate and the proportion of population whose income was less than $1 a day — to reflect UNFPA contribution to the MDGs and ICPD goals. Delegations were pleased to note that eight of the MYFF goal-level indicators corresponded to the MDG indicators. One delegation encouraged UNFPA to further quantify indicators and suggested the use of a series of intermediary indicators that were more operational and for which data could be collected more easily. One delegation remarked that the collection of sex-disaggregated data should be a priority.

37. Delegations urged UNFPA to rationalize and reduce the multiplicity of reports and sections of reports. The delegations asked that earlier decisions be reviewed with a view to consolidating reports and discontinuing those not considered essential.

38. One delegation stated that higher priority should be given to developing and promoting evidence-based monitoring and evaluation tools at the country level so as to more effectively measure the success or failure of a specific strategy in achieving MYFF outputs. Clear definitions of expected results and measurement indices would help country offices move from subjective assessment of success toward more empirical programme evaluation that would facilitate better coordination with other similar programmes. The delegation agreed that additional investments in data collection and analysis were needed for evidence-based policy formulation and informed decision-making. The delegation acknowledged the steps taken by UNFPA to promote a culture of performance within the organization and asked what progress had been made by the Fund in building staff capacity in understanding the importance of RBM and the relevance of the MYFF. Specifically, the delegation wished to know whether the adoption of a results-based approach had measurably improved the Fund's organizational and programmatic performance. The delegation applauded the reference made in the Executive Director's report to accountability and concurred that it was imperative for UNFPA to demonstrate a direct correlation between resource use and the achievement of results.

39. In her response the Executive Director stated that she had taken note of the comments concerning enhanced participation in PRSPs and SWAps and the use of the MYFF as a tool to improve the Fund's own performance. She welcomed the recommendation by delegations that the multiplicity of reports should be rationalized and streamlined. Regarding the issue of the reliability of data, she pointed out that the matter had been discussed among the UNDG partners and it had been agreed that countries should not be burdened with separate demands for data. It was further agreed that agencies should utilize the data set prepared for the CCA and UNDAF. She concurred that greater investment and increased resources were needed to build national capacity in data collection and to strengthen data systems. She observed that that would remain a priority for UNFPA. She underscored that the Fund's emphasis on cultural values was squarely within the human rights approach.

She took note of the suggestion that UNFPA organize a seminar on procurement policy. She stated that UNFPA as an organization was deeply committed to RBM and the Fund was engaged in a transition process that, inter alia, emphasized developing a culture of performance.

40. The Chief, Office for Results-based Management (ORM), thanked the delegations for their constructive comments and noted that UNFPA had been engaged in a steep learning curve. The MYFF report was based on only 18 months of implementation. She assured the Executive Board that UNFPA would continue to make improvements in future reports. She took note of the suggestion that the next MYFF report should have greater detail. She noted that UNFPA would undertake an intensive review of its experience and analyse its successes and challenges. She stated that data availability was a problem at the international goal level as well as at the country level. There were difficulties with regard to the periodicity of national data. She stressed that the report was not based on self-assessments but on actual data provided by country offices. She pointed out that UNFPA always endeavoured to avoid creating parallel data systems. Concerning quantifying indicators, she noted that it would be difficult to aggregate data for comparability. She noted that the logical frameworks at country level included targets and data. She stated that building national capacity was fundamental to the work of UNFPA. She noted that in developing an evidence-based strategy UNFPA strived to build on its own knowledge assets and those of its development partners. She added that UNFPA was focusing more on knowledge sharing and not just on information sharing.

41. Regarding the query on collaboration, she stated that, at the country level, a great deal of collaboration took place at a planning level in the development of the country programmes and their results and resources frameworks. She underlined the importance of partnerships for data collection. She concurred that the CCA was a crucial document for the United Nations system and UNFPA needed to ensure that gender, population and reproductive health issues were adequately reflected in the CCAs. She underscored that international collaboration and cooperation were essential, particularly in view of the Fund's limited resources. She agreed that PRSPs and SWAps presented valuable opportunities to establish coherent partnerships and to advocate for population and reproductive health issues.

42. The Executive Board adopted decision 2002/5 (see annex), UNFPA annual report and funding commitments.

43. Following the adoption of decision 2002/5, the delegation of the United States took the floor to provide an explanation of its position. The delegation stated that though it had joined the consensus on decision 2002/5 its Government had serious reservations to elements of the Programme of Action contained in the report of the International Conference on Population and Development (ICPD). The delegation emphasized that in any reference to agreed goals and targets contained in the ICPD Programme of Action, especially as they related to reproductive rights and reproductive health, the United States took into account the reservations contained within that document as adopted by the General Assembly. The United States fully supported the principles of voluntary family planning, but did not understand the term "reproductive health" to include in any way abortion, abortion-related services, or the use of abortifacients. The United States did not include the treatment of injuries or illnesses caused by illegal or legal abortion, for example post-abortion care, among abortion-related services. Over the last three decades, the United States

had been a generous donor to population and development programmes. It was committed to maintaining that leadership role. Its funding, however, like that of other members, was subject to and guided by national legislation and priorities. Any funding commitments made, interpreted or implied in the decision would be subject to and guided by national legislation and priorities.

III. Funding commitments to UNFPA

44. The Executive Director introduced the report entitled Funding commitments to UNFPA: Report on voluntary contributions by Member States to regular and other resources for 2002 and future years (DP/FPA/2002/5). She emphasized that resource mobilization was a fundamental priority of UNFPA. She stated that as indicated in the report the Fund's income situation was precarious at the present time. The Fund was very vulnerable to any fluctuation in the funding level of its top 15 donors. Those donors were currently responsible for 95 per cent of UNFPA regular resources. She stated that UNFPA was working hard to obtain more funding balance by widening and broadening its donor base to ensure income stability and increase contributions. She noted that while there was uncertainty about the contribution of one major donor, there were some encouraging signs of emerging financial support from many developing and transition countries. She thanked all the donors for their support and expressed deep appreciation to those that had made their highest contribution during the 1999-2002 period, namely, Belgium, Ireland, Italy, Luxembourg, the Netherlands, Switzerland and the United Kingdom. She stressed the shared responsibility and importance of the support of the Executive Board to the Fund's resource mobilization efforts. She expressed her deep gratitude to the Netherlands, Norway and Japan, the Fund's top three donors. She underscored that for UNFPA to carry out its mission and to support the fight against poverty it would need the strong financial and political commitment and support of the Executive Board and all Member States.

45. The Chief, Resource Mobilization Branch (RMB), provided an update on the current income situation and noted that 73 written pledges had been received, with 26 countries having made multi-year pledges. He thanked all the donors for their contributions and expressed special appreciation to those that had increased their contributions. He noted that early payments helped UNFPA with its cash flow. He underscored the paramount importance of regular resources. He observed that UNFPA was focusing on maintaining the strong support of its major donors while at the same time it was seeking to expand and broaden its donor base. He stressed that the Executive Board members had a key role to play in increasing the Fund's regular resources and he appealed for their support and invited their ideas and suggestions.

46. Several delegations took the floor to express their support for UNFPA and to underscore the need to increase the Fund's regular resources. Delegations were concerned about the Fund's precarious financial situation and recalled the donor commitments made at the conference on Financing for Development. Several delegations commended the Fund's efforts to broaden and expand its donor base, particularly in light of the fact that dependence on a small number of donors did not make for a stable situation. While welcoming the increase in other resources, including thematic funding, delegations emphasized that those funds should not be regarded as a substitute for regular resources. Concerning thematic funding, some delegations noted that the subject should be further discussed by the Executive

Board. One delegation stated that it was important to use the harmonized terminology of "regular funds" and "other funds". The delegation added that the term "voluntary contribution" should be eliminated as it only left the door open for cuts in contributions. One delegation observed that multi-year pledges were not always possible due to changes in government and the inability to prejudge the decisions of future governments. One delegation pointed out that if it was possible for governments to make multi-year pledges to the regional banks, IFAD and GEF, surely the same could be done for UNFPA. The delegation urged that the organizations be treated at an equal level. Concerning carry-overs, the delegation stated that frequently there were good reasons for them and donors should extend the same understanding to the Fund, in that regard, as they did to the big financial institutions. Some delegations urged the Fund to rationalize the reports submitted to the Board, noting that some reports requested years ago might not be needed now.

47. The delegation of Finland provided the exact amount of its contribution for 2002, i.e., 12.45 million euros, and 2003, i.e., 12.95 million euros. The delegation observed that its 2002 contribution was an increase of 11 per cent (in dollar terms) over the previous year. The delegation hoped that UNFPA would allow its contribution to rest in euros for greater value. The delegation of Ireland stated that its country was contributing more than 1.8 million euros in 2002, and would increase that amount in 2003. The delegation of Japan stated that due to its severe situation of official development assistance (ODA) it would be decreasing its 2002 contribution by 19 per cent. The delegation added that Japan's contribution of $39.517 million was subject to final clearance by the financial authorities in its Government. The delegation requested UNFPA to provide it with additional financial information. The delegation of the Netherlands stated that to underscore its strong support for UNFPA and to stress its commitment to the ICPD Programme of Action, its Government would increase its contribution with an additional 2 million euros, bringing up its total contribution for 2002 to 60.5 million euros. The delegation of Sweden announced that its 2002 contribution of 165 million Swedish kroners was a 3 per cent increase over the previous year's contribution. The delegation of the United Kingdom announced that it would maintain its funding level at 15 million pounds and that would also be the baseline for the next two years. The delegation stated that its country was considering an increased contribution in 2002 and confirmation of that would depend on the impact of the UNFPA transition plan, particularly the impact on country level performance. The delegation of Viet Nam announced that its Government's 2002 contribution to UNFPA reflected an 8 per cent increase over the previous year.

48. The Executive Director thanked the delegations for their support. She stated that she understood the constraints faced by some countries with regard to multi-year pledges. She took note of the observations made by delegations concerning thematic funds and stated that UNFPA would also compare notes with UNDP on that subject. She fully agreed with delegations that other resources should not serve as a substitute for regular resources. She stated that UNFPA would examine and rationalize the multiplicity of reports and would report back to the Executive Board on that matter. Regarding carry-overs, she noted that in some countries the implementation rate was not as planned and that had resulted in carry-overs. She noted that the Fund was examining the issue on a country-by-country basis.

49. The Deputy Executive Director (Management) noted that in keeping with General Assembly resolution 56/201, UNFPA along with other United Nations

Development Group (UNDG) partners was engaged in an effort to simplify and harmonize rules and procedures pertaining to an array of issues, including national execution, decentralization and delegation of authority, personnel matters, financial procedures and information technology. She noted that to pursue that work UNDG had established a joint working group on simplification and harmonization, with membership of both the Programme Group and Management Group. The latter two groups were subcommittees of the UNDG Executive Committee, of which she herself was chairing the Management Group. Several workshops had been held and the groups would be preparing major recommendations to improve efficiency, reduce transaction costs and maintain accountability. She anticipated that results would be forthcoming in a year. She added that financial procedures were being simplified and harmonized to improve financial management, including addressing the issue of expenditure reporting. She noted that at the country level progress was also being made in simplifying reporting procedures. In that regard, she observed that automation would play a key role.

50. The Chief, RMB, thanked the delegations for their useful comments. He took note of the suggestion that the term "voluntary contribution" be avoided and stated that UNFPA would continue working to harmonize terminology. He also took note of the observations on thematic funding and pointed out that UNFPA always attempted to link other resources to its country programmes.

51. The Executive Board took note of the report on funding commitments (DP/FPA/2002/5) and adopted decision 2002/5, UNFPA annual report and funding commitments.

IV. UNFPA and sector-wide approaches

52. The Deputy Executive Director (Programme) introduced the report on UNFPA and sector-wide approaches: follow-up to decision 2000/8 (DP/FPA/2002/6), which was submitted to the Executive Board in response to decision 2000/8. He noted that UNFPA attached great importance to its involvement in sector-wide approaches (SWAps), particularly as they afforded major opportunities to integrate reproductive health and gender concerns in health and education sector programmes and to further the agenda of the International Conference on Population and Development (ICPD) and the key actions of ICPD+5. He highlighted efforts undertaken by UNFPA to increase its involvement in SWAps, including an expert group meeting in October 2000; a guidance note; a meeting for field staff in November 2001; a training course developed in collaboration with the World Bank; initiating small inter-divisional support groups composed of technical and programme staff from headquarters and the Country Technical Services Teams (CSTs); and the issuance of a circular in December 2000, effectively removing the final obstacles to the full participation of UNFPA in SWAps and common-basket funding arrangements. He thanked the Governments of Sweden, Norway and the Netherlands for the support they had provided for selected government and UNFPA staff to be trained by the Institute for Health Sector Development on SWAps, based in the United Kingdom.

53. He stated that while there were no barriers to the Fund's participation in common-basket funding arrangements, UNFPA participation in SWAps had been primarily through parallel funding arrangements. He pointed out that concerns regarding the attribution of inputs and accountability for outputs were factors that

made UNFPA Representatives reluctant to utilize common-basket funding. He clarified that UNFPA, like several of its counterparts in the United Nations system, viewed itself primarily as a collaborating, rather than a funding partner, in a particular sector — offering technical expertise, experience and know-how — and playing a pivotal advocacy role. He noted that UNFPA had played such a role in a number of instances, including in connection with the SWAps in Bangladesh, Ethiopia, Malawi, Senegal, the United Republic of Tanzania and Zambia. He observed that staff capacity was still limited. However, as UNFPA experience with SWAps increased, and with the continued support and encouragement of the Executive Board members, UNFPA would make further improvements and become a more effective partner in SWAps.

54. During the discussion that followed, several delegations expressed appreciation for the very useful report. One delegation cautioned that while SWAps were useful it was necessary to ensure that the neutrality of multilateral assistance was not diluted by specific donor agendas. The capacity of the recipient Government to exercise a leadership role in the SWAp process was critical. The delegation stated that the autonomy of government decision-making might not be constrained in countries where official development assistance (ODA) constituted a small percentage of development budgets. But there was a danger that in countries with large ODA, Governments, while notionally leading in the SWAp process, would in effect have to abide by the policy prescriptions coordinated between donors. It was therefore essential that the coordination of SWAps be undertaken by recipient Governments. The same delegation added that common-basket funding was not necessary for the adoption of SWAps. Since common-basket funding presented a number of difficulties, as documented in DP/FPA/2002/6, it should be used only on a case-by-case basis, under national leadership, after carefully weighing the pros and cons. The delegation pointed out that accountability was diluted in the SWAp process, particularly for those partners whose financial contributions were relatively small. Thus, UNFPA could not be expected to deliver on both fronts and donors needed to give that some thought.

55. One delegation, speaking also on behalf of 11 other delegations, acknowledged with appreciation the effective role that UNFPA was playing in a number of SWAp processes, notably in Bangladesh, Ghana, Malawi and Mozambique, and encouraged the Fund to play a full part in the SWAp discussions in other key countries. The delegations underscored that without the Fund's intellectual input the argument for reproductive and sexual health and rights would not be heard in the SWAp discussions. UNFPA, they observed, had a key role to play in ensuring that reproductive health, gender and women's equity, as well as young people's reproductive and sexual health and rights, were given prominence within the sector mechanisms. The delegations stated that the Fund's involvement in SWAps should not be limited to the health sector and should include other sectors such as education and social affairs. The delegations urged UNFPA Representatives who had not yet committed themselves to the SWAp process to do so as a matter of urgency. The delegations noted that UNFPA, as the lead agency for the implementation of the ICPD Programme of Action, needed to increase its participation in the development of poverty reduction strategy papers (PRSPs). In general, issues like reproductive and sexual health and rights and population and development had not received the attention and weight they deserved in the PRSPs. The delegations also urged UNFPA to increase its involvement in the global efforts to reach the Millennium

Development Goals (MDGs). The delegations commended UNFPA for its close collaboration with the World Bank Institute in developing a training course in health-sector reform and SWAps and encouraged the Fund to continue the collaboration and expand training opportunities for its staff. The delegations requested UNFPA to report on its role and activities in SWAps as part of the annual report of the Executive Director. The delegations also proposed that at the next joint session with the UNICEF Executive Board, with the participation of the World Food Programme, to be held in January 2003, there should be a discussion on SWAps, focusing on an exchange of experiences, practical problems and lessons learned, including on the issues of attribution and accountability.

56. One delegation noted that the difficulty in tracking funds raised concerns about attribution and accountability, as emphasized in paragraph 14 of the report (DP/FPA/2002/6). Observing that there seemed to be a "competition" between efficiency and "institutional egos" in the implementation of SWAps, particularly with regard to common-basket funding, the delegation requested clarification on the issue. One delegation, citing paragraph 13 of the report (DP/FPA/2002/6), asked how the issues raised therein about common-basket funding could be dealt with, namely the reduced visibility for UNFPA-supported programmes; uncertainties about the transparency of financial disbursements; lack of timely reporting raising concerns about financial accountability; and the problem of tracking funds and linking individual donor inputs to outputs. The delegation asked why no country had resorted to common-basket funding. While underscoring that leadership and ownership by programme country governments was essential in the SWAps, the delegation wondered if heavy donor funding would impact and bias local leadership.

57. One delegation noted its disappointment that the report was relatively general and had not provided concrete examples of the Fund's experience with SWAps. The delegation agreed with the proposal made by several other delegations that SWAps be discussed at the joint Executive Board session in January 2003. The delegation concurred that visibility and accountability were key issues pertaining to common-basket funding that were not easy to resolve. The delegation favoured the Fund's collaborative arrangements with other development partners, including the collaborative training programme with the World Bank. The delegation encouraged learning by doing and emphasized that UNFPA expertise and intellectual know-how were needed in collaborative arrangements with other development partners. The delegation emphasized that the collaboration should be done gradually and UNFPA should adopt a step-by-step approach to SWAps.

58. One delegation concurred with the previous speaker, noting that collaborative arrangements should be encouraged. The delegation considered SWAps to be very important and requested UNFPA to promote existing mechanisms and to give emphasis to country mechanism through advocacy. The delegation noted that in the common-basket funding each sector would be considered separately and such complexity should be avoided. The delegation pointed out that it was important to promote national capacity, together with promoting the capacity of UNFPA. One delegation encouraged UNFPA to participate fully in SWAps and stated that UNFPA brought real value-added to the SWAps. Referring to the heavily indebted poor countries (HIPC) initiative, the delegation stated that it supported SWAps as a pragmatic approach, particularly for easing debt. The delegation concurred with an earlier speaker who had recommended that UNFPA adopt a step-by-step approach to SWAps.

59. One delegation, while noting that the report was excellent, expressed the following concerns: while SWAps were a useful tool for efficient programme implementation there existed a variety of implementation modalities, and thus a mixture of modalities should be utilized; accountability within the common-basket funding needed to be demonstrated; coordination of aid modalities was needed to reduce transaction costs; and simplification of methodologies and procedures was desirable and should be explored. The delegation concurred with the view expressed by earlier speakers that the Fund's involvement in SWAps should be a step-by-step process.

60. One delegation, while agreeing that SWAps added a useful tool to the arsenal of development approaches, stated that any development tool should remain flexible, and different tools were needed to meet the varying development needs of different countries. The delegation encouraged UNFPA to become involved in SWAps, if, and when, such an approach fit in well with its overall programming.

61. The Deputy Executive Director (Programme) thanked the delegations for their comments and advice and was pleased to receive the Executive Board's endorsement for UNFPA to follow a step-by-step approach to SWAps. He took note of the concern expressed by a number of delegations regarding the need to maintain the central role of Governments in the SWAp process. He stated that UNFPA would follow a step-by-step approach, at the same time the Fund wished to respond to the donors' recommendation that it increasingly participate upstream, including in policy dialogue. He agreed that UNFPA should participate in SWAps in various sectors and not just the health sector. He added that UNFPA was particularly interested in influencing education SWAps. He underscored that even though UNFPA was small in size it had an important advocacy role to play. He noted that UNFPA was in the process of building staff capacity as well as the capacity of government counterparts. The Fund recognized that it needed to be at the table in order to ensure that the PRSPs, United Nations common country assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs) focused adequate attention on population dynamics and reproductive health issues. He agreed that it would be useful to have a joint session on SWAps in January 2003 and he added that the United Nations Development Group (UNDG) should also take up consideration of SWAp-related issues. He stated that UNFPA had taken note of the Board's recommendation that SWAp activities and experience should be included in the annual report of the Executive Director. He concurred with the delegation that had highlighted the importance of the Fund's role in collaborative arrangements. He took note of the SWAp link to the HIPC initiative and the pragmatic approach suggested by one delegation. He also took note of the various concerns expressed by another delegation, including the need to utilize a variety of programming modalities.

62. The Director, Technical Support Division, thanked the Executive Board members for their support and very helpful comments. She noted that UNFPA had taken note of the advice offered by the Board. She observed that the Fund's participation in SWAps was a work in progress. UNFPA had taken note that Board members had emphasized that there was no one standard approach for development programming and that the Fund should adopt a step-by step approach to SWAps. She noted that UNFPA was learning by doing. In that regard, she invited Board members to share with UNFPA their own SWAp experiences and lessons learned. Concerning the comment made by one delegation that the report was rather general, she noted

that the report (DP/FPA/2002/6) was a supplement to two earlier reports that had elaborated on the Fund's experience with SWAps. She added that UNFPA would provide additional information at the joint session in January 2003. She agreed that the issues of attribution, accountability, monitoring and evaluation raised concerns that needed to be addressed. She emphasized that UNFPA was deeply committed to national capacity-building and to government ownership of the programme and the process. She assured the Board that UNFPA would follow a cautious step-by-step approach to SWAps, always ensuring government leadership.

63. The Executive Board adopted decision 2002/6 (see annex I).

V. Evaluation

64. The Chief, Office of Oversight and Evaluation (OOE), introduced the periodic report on evaluation (DP/FPA/2002/7) submitted to the Executive Board in response to Governing Council decisions 82/20 and 90/35A. She noted that the level of resources devoted to external evaluations rose from about $3.6 million in 1998-1999 to about $4.4 million in 2000-2001. In 2001, UNFPA initiated two thematic evaluations to assess UNFPA strategies and approaches to HIV/AIDS prevention and to analyse the Fund's contribution to national capacity-building. She stated that during the biennium a number of steps had been taken to strengthen institutional capacity in results-based management (RBM), including monitoring and evaluation. For example, several regional workshops had been organized; training modules had been developed and made available via the Internet and the intranet; feedback had been utilized to inform the planning of other staff development activities and to refine monitoring and evaluation policies and procedures; programme planning and reporting formats had been revised; the UNFPA programme manager's monitoring and evaluation toolkit had been launched; and an inter-divisional working group had been established to revise and update the programming guidelines, including the guidelines for monitoring and evaluation. Overall, there was an increased focus on knowledge-sharing and organizational learning, including capitalizing on the knowledge generated through monitoring and evaluation. She observed that many challenges lay ahead. Nevertheless, UNFPA was committed to utilizing evaluation not only as an accountability tool but also as a management and learning asset.

65. During the discussion that followed, one delegation stated that the purpose of country-level evaluations should be to help countries develop their programmes. Thus, a comprehensive evaluation should take place before the current programme ended so that lessons learned could be fed into the development of the new programme. The delegation added that the programme country should play a central role in evaluation and programme development as they would be better aware of the country situation, problems and priorities. In addition, local experts should be utilized, particularly as they would have no language barriers and would have a thorough knowledge of the local conditions. The delegation was pleased to take note of and express support for the Fund's use of local experts. The delegation also expressed appreciation for the technical expertise and comparative advantage of the UNFPA Country Technical Services Team (CST) members, but added that the CSTs should play an advisory role in programme evaluation and not dominate the process.

66. One delegation, speaking also on behalf of five other delegations, thanked UNFPA for the excellent report and noted that it indicated the Fund's commitment to

investing in evaluation and a results-based management approach that would have positive results in programming. The delegations were encouraged by the Fund's increased focus on evaluation and RBM, that echoed the efforts under way in bilateral agencies. The delegations encouraged UNFPA to further rely on the tools and other resources that had been developed to address its technical assistance needs with respect to evaluations and RBM. The delegations stated that in order to define indicators and identify methods for their measurement, it was necessary to first agree on the parameters of the development dimension that was to be measured. Thus, UNFPA was encouraged to increase its participation in ongoing international and inter-institutional efforts to develop conceptual frameworks and indicators for measuring capacity-building. The delegations hoped that UNFPA would contribute to and benefit from an increasingly systematic and rigorous treatment of the subject in the future.

67. The same delegations were pleased to note the introduction of a results framework in the country programme outlines and they encouraged UNFPA to invest further in its use and development. The delegations were also pleased to note the discussion in the report (DP/FPA/2002/7) on the role of evaluation in shaping the Uganda country programme and they looked forward, in the future, to hearing more about examples similar to the Uganda model. The delegations recognized that UNFPA had limited personnel and resources at headquarters and they encouraged the Fund to continue its endeavours in the framework of coordinated multi-partner efforts in developing monitoring and evaluation plans for HIV/AIDS. In that regard, greater standardization in the indicators and mechanisms for monitoring and evaluating HIV/AIDS programming across donors and national counterparts were essential for coordinating investments in curbing the epidemic. The delegations encouraged the Fund to participate in monitoring and evaluation activities related to the Millennium Development Goals (MDGs), on a selective basis, and commended UNFPA for taking steps to ensure that its own evaluation activities were consistent with and complementary to those being undertaken in support of the MDGs.

68. One delegation, speaking also on behalf of three other delegations, welcomed the comprehensive and detailed evaluation report and was pleased to note that the findings of the evaluation of UNFPA support to HIV/AIDS prevention programmes had been utilized to improve the Fund's programmatic and strategic response to the HIV/AIDS epidemic. The delegations noted that the report (DP/FPA/2002/7) pointed to a weakness in securing proper institutionalization of the results of evaluations and lessons learned. In that regard, the delegations hoped that the introduction of RBM would lead to systems improvements. The delegations welcomed the Evalnet as a valuable tool for sharing evaluation findings and results with other agencies. The delegations supported the conclusion in paragraph 50 of the report (DP/FPA/2002/7) that UNFPA examine its practices to bring them more in line with national practices in monitoring and evaluation. The delegations urged that in future evaluation reports UNFPA should highlight strategic recommendations along with senior management's response to them.

69. One delegation, referring to the findings of an independent report prepared by its Government in 2000, requested feedback on that report's observation that there was a low level of compliance concerning mandatory evaluation of UNFPA-supported country programmes. The delegation stated that UNFPA should emphasize the mandatory evaluation requirement and establish targets and procedures to improve compliance.

70. One delegation appreciated the comprehensive and useful report and stressed that evaluations should respond to the needs of project teams, country teams and national authorities. The delegation added that evaluations should provide qualitative insights, in addition to quantitative data, that would contribute to learning and knowledge acquisition. The delegation noted that it was pleased with the decentralized nature of the evaluation system in UNFPA and supported its continuation. The same delegation stated that while evaluation allowed effectiveness to be measured, including cost-effectiveness, it did not allow the drawing of lessons at a global level for policy development. Evaluation was important to carry the message of development effectiveness to donor countries. However, it should not be allowed to provide an excuse for avoiding the question of resource augmentation or for any derogation of the principle of universality while determining global resource allocations. The delegation emphasized the importance of helping programme countries to evaluate their own programmes and asked that UNFPA contribute to strengthening the evaluation machinery in programme countries. The delegation underscored that the development of evaluation methodologies should be a participatory process involving national authorities of programme countries. Such involvement should include the drafting of terms of reference, the selection of evaluation teams and the joint consideration of evaluation reports.

71. The Deputy Executive Director (Programme) thanked the delegations for their comments and stated that UNFPA had taken note of their support and their suggestions. He stated that UNFPA was proud to have an independent Office of Oversight and Evaluation that reported directly to the Executive Director. He noted that the OOE had very competent staff. He concurred with the observations of two delegations that evaluations should feed into programme development; that local experts should be utilized; and that UNFPA should contribute to the development of the evaluation machinery in programme countries. He appreciated the fact that several delegations had been encouraged by the Fund's commitment to and investment in evaluation, monitoring and RBM. He agreed that there were several methodological challenges and much work remained to be done in the area of evaluation.

72. The Chief, OOE, thanked the delegations for their advice and comments. She agreed with the delegation that had stated that it was important to derive lessons learned from the concluding programme to feed into the succeeding programme. She emphasized that UNFPA had various mechanisms for that purpose, including the midterm reviews which increasingly were being conducted towards the end of a programme and provided good lessons and guidance for developing and designing the new programme. She underscored that UNFPA always endeavoured to use local experts, particularly for thematic evaluations. National experts were involved in the preparatory process and also served as resource persons. She agreed that the CST role should be a supportive one and not directive, unless asked for by the concerned programme country. She concurred with the delegations that had pointed out the need to define concepts and refine indicators for measuring capacity-building. She observed that that had been highlighted in the evaluation of capacity-building. She noted that the Fund needed to approach capacity-building in a more coherent and strategic manner with clear targets. She pointed out that UNFPA had studied the topic quite thoroughly, including the reports of UNDP and the United Nations Department of Economic and Social Affairs. As regards taking advantage of other evaluation tools, she stressed that UNFPA, aware of its own limited resources and capacity, had taken advantage of and adapted the tools and methodological work

produced by others working in development cooperation, particularly in the development of the monitoring and evaluation toolkit. In that regard, the Internet had been an invaluable resource to UNFPA in accessing and reviewing the work and products of several multilateral and bilateral organizations.

73. Concerning the comments delegations had made on the evaluation of HIV/AIDS programmes, she agreed that there was a need to coordinate and standardize monitoring and evaluation of HIV/AIDS programmes. She noted that UNFPA had referred to a publication of the Joint United Nations Programme n HIV/AIDS on indicators that had proved to be a very good resource for well-tested, measurable indicators. Naturally, the selection of indicators depended on the availability of data in the concerned country. She took note of the request by some delegations that future evaluation reports include strategic recommendations and the response to them by senior management. With reference to the query regarding compliance with the mandatory evaluation of country programmes, she observed that at present full compliance had not been achieved for a number of reasons: midterm reviews often took place late in the programme cycle, frequently in the fourth year of a five-year programme, thereby replacing the country programme evaluation; also, towards the end of a programme there was so much work involved with the country programme assessment (CPA), the United Nations common country assessment (CCA), and the United Nations Development Assistance Framework (UNDAF), that it was very difficult for small UNFPA country offices to undertake comprehensive programme evaluations. Thus, there was a tendency to undertake thematic evaluations or to conduct an evaluation just prior to the development of subprogrammes. She concurred with the delegation that had pointed out the limits of evaluation. She added, however, that certain approaches could be used globally and could provide an organization with strategic choices for decision-making, not just for determining funding levels.

74. The President of the Executive Board was interested to note that the discussion had in fact focused on "evaluating" evaluation. He considered that to be an important and useful function, necessary to avoid creating virtual realities. He added that it was important and illustrative for the Board to see concrete examples and results of the evaluation efforts undertaken by UNFPA, otherwise there could be unrealistically high expectations. He proposed that at a later time it would be useful to have a joint session on common evaluation approaches utilized by UNFPA, UNDP, United Nations Children's Fund and WFP.

75. The Executive Board took note of the UNFPA periodic report on evaluation activities (DP/FPA/2002/7).

VI. Country programmes and related matters

76. The Deputy Executive Director (Programme) introduced the first country programme outlines developed under the new harmonized procedures for the approval of country programmes, in keeping with decision 2001/11 of the Executive Board. The effort to simplify and harmonize was also in keeping with General Assembly resolution 56/201. He added that the new format was a major improvement over the old format: the country programme outlines were short and focused; and each had an attached results and resources framework that outlined outcomes, outputs and their respective indicators, as well as the resources required

to achieve those results. He stated that linking resources to specific outputs would have to be further developed. As country offices currently lacked the ability to cost outputs, UNFPA was in the process of developing a methodology to better define the costs by output. He observed that it was too early in the process to state whether the new process had led to increased collaboration and coordination among agencies in the development of their programmes. However, in their initial response, country office staff seemed pleased with the new direction. He underscored that UNFPA was committed to improving the quality of country programme formulation and implementation.

77. Several delegations praised the new harmonized format adopted by UNFPA and noted that the documents were crisper, clearer, more focused and more streamlined than their predecessors. Delegations welcomed the inclusion of a results and resources framework and were pleased to note that UNFPA was utilizing the logical framework. One delegation stated that it had found the programme outlines descriptive and observed that the multi-year funding framework was not always reflected. The delegation added that the causal relationship between positive developments in the field of reproductive health and UNFPA activities was not always clear. One delegation stated that it was pleased to note the shift away from direct service delivery activities toward advocacy and policy development. The delegation advised that in the future key terms used in the programme outlines should be defined more precisely, including such terms as adolescents, male involvement and gender equity. The delegation underscored the importance of coordination with other donors and stated that a description of the assistance of other principal donors should be included in the programme outlines.

Africa region

78. The Director, Africa Division, noted that sub-Saharan Africa faced the most daunting development challenges, including poverty; high population growth rates; poor reproductive health status, including high maternal mortality; the rapid spread of HIV/AIDS; and gender disparities. The constraints that countries in the region faced included the following: weak national institutional frameworks; weak planning and management capacities; inadequate staffing and high turnover of staff; lack of adequate data for planning, monitoring and evaluation; poor governance; inadequate resources; the HIV/AIDS epidemic and poverty fuelling each other; heavy external debt burdens; and the consequences of conflict. Since the International Conference on Population and Development (ICPD) important steps had been taken by many African governments to formulate or revise national population policies and to improve reproductive health. While some progress had been achieved as a result of those efforts, the overall reproductive health situation in Africa remained poor and countries were far from attaining the ICPD and Millennium Development goals (MDGs). The contraceptive prevalence rate remained low in most countries; female genital cutting was widespread, in spite of laws adopted by many countries to abolish it; and access to sexual and reproductive health services for adolescents and youth was far from adequate. The programmes before the Executive Board had been developed within a poverty eradication framework and contained reproductive health components that emphasized reducing maternal mortality and preventing HIV/AIDS, with special attention to adolescent sexual and reproductive health.

79. Delegations underscored the excellent cooperation between their countries and UNFPA and noting that the proposed country programmes had been developed in close partnership with the respective governments and other stakeholders. Given the many development problems their countries faced, including the fragility of economic growth and the rapid spread of the HIV/AIDS epidemic, several delegations emphasized the need to increase resources for UNFPA and pointed out that the Fund, as the main partner in population in their countries, had a particular comparative advantage. Delegations underscored the commitment and leadership of UNFPA and stated that frequently UNFPA had been the only partner that had remained in the country when difficult circumstances had caused other partners to suspend their assistance and/or depart.

80. One delegation asked for clarification regarding the link between priorities and available resources and wondered why the approaches differed in different countries. The same delegation noted that the term reproductive health had been variously translated in French and asked if there was a standardized translation.

81. Concerning the Nigeria country programme outline (DP/FPA/CPO/NGA/5), one delegation stated that it found the proposed programme disappointing and fragmented, with too much focus on the implementation of small projects. The delegation asked what consultation with other donors had taken place regarding the proposed programme. The delegation added that its country's health adviser in Nigeria would have liked to have been involved but had not been consulted. The delegation stated that consultation with other donors was particularly important in the area of reproductive health commodities at a time when demand was outstripping supply. The delegation encouraged UNFPA to play a greater role in the coordination between donors in Nigeria. Given that there were many actors in Nigeria working in the area of HIV/AIDS and UNFPA was one of the few organizations working in the area of population and reproductive health, the delegation wondered whether UNFPA should concentrate on HIV prevention within Nigeria's national response rather than on implementation activities. The delegation of Nigeria noted that it did not consider that the proposed programme had a fragmented approach. The delegation added that there had been a wide consultation with stakeholders and over 55 organizations had participated in the planning process.

82. With reference to the Mali country programme outline (DP/FPA/CPO/MLI/5), one delegation made the following comments: UNFPA support for the development of a priority population investment programme (PPIP) 2003-2007 would be very important for the country's poverty reduction strategy; the country programme outline made no mention of migration, an important population issue; no mention had been made of breastfeeding and its impact on fertility; with a primary school enrolment of only 50 per cent, how did UNFPA plan to provide reproductive health and HIV/AIDS information to young people who were not in school and how did UNFPA plan to promote and support safe sex behaviour among that group? The delegation added that the Mali poverty reduction strategy paper (PRSP) had paid little attention to population issues. The delegation wondered whether it was more important for UNFPA to use its scarce resources for input in policy development, for example, in the health sector-wide approach (SWAp), instead of implementing specific UNFPA programmes. The delegation urged UNFPA to identify its specific niche and underscored that advocacy should be an important element of the Mali country programme. The delegation of Mali stated that the proposed programme had

been drawn up based on the Government's priorities. Furthermore, all development partners had participated in the process. The country faced many challenges, including rapid population growth; socio-economic inequalities, including with regard to the status of women; and the spread of HIV/AIDS. The delegation added that in the fight against HIV/AIDS traditional methods were being utilized to convey prevention messages.

83. One delegation noted that its own country's assistance to Comoros had been suspended, however, its country was keen to cooperate with and support the Fund's programme in Comoros.

84. The Deputy Executive Director (Programme) concurred that the Fund needed to strengthen its involvement in policy dialogue, PRSPs and SWAps. He stated that as part of its transition UNFPA was engaged in a process to shift more upstream. He pointed out that policy dialogue could not occur in a vacuum and demonstrated results would be necessary to influence policy dialogue partners. He agreed that migration, and its relationship to poverty, was an important issue that needed to be addressed. He emphasized that UNFPA gave serious attention and high priority to coordination with other development partners, including donors. He stated that the Fund would follow-up on the lapse in coordination in one instance pointed out by one delegation. He stated that UNFPA had taken note of all the comments made by delegations on the country programme outlines and would transmit them to the concerned country offices.

85. Concerning the query on resource allocation, the Director, Africa Division, noted that the allocation of resources was based on country priorities and discussion with the concerned governments. Since priorities varied from country to country, resource allocation approaches also varied to suit the priority needs of countries. She thanked the delegation that had offered support to the programme in Comoros. Regarding the French translation of the term "reproductive health", she observed that it would be useful to have one standard translation, however, since the beginning the term had been variously translated in French. In response to another comment she noted that UNFPA had been involved in SWAps and policy dialogue; for example, in Mauritania the Fund had supported the national reproductive health programme that had been integrated in the health sector reform. Similar support had been provided in Mali and Cameroon. She observed that UNFPA had utilized the Mali PRSP in developing the proposed programme. She added that UNFPA always endeavoured to mainstream population, gender and reproductive health in policy dialogues and SWAps. However, the Fund's participation was often constrained by the small size of its country offices. She concurred that migration was an important population issue and added that in developing the programmes the priority areas were determined by the concerned governments. She noted that in West Africa UNFPA had supported a survey on migration and some of the countries planned to use that data and information in designing their HIV/AIDS prevention strategies. Concerning the comment on breastfeeding, she stated that information on breastfeeding was mainstreamed in the minimum reproductive health package that was delivered, including at the community level. With reference to the comment about out-of-school youth in Mali, she stated that UNFPA was supporting multi-purpose youth centres that also catered to the needs of out-of-school youth.

86. The UNFPA Representative in Nigeria observed that all stakeholders had been involved in the programme development process in Nigeria. He thanked Canada for

its support in the area of reproductive health commodity security. He noted that the logistics management system in Nigeria needed strengthening and UNFPA was working with DFID and USAID to address those issues. He clarified that UNFPA was not involved in HIV/AIDS treatment, instead it was providing information, including through radio broadcasts. He added that UNFPA was also chairing the HIV/AIDS theme group in Nigeria.

87. The President of the Executive Board indicated that the comments made on individual programme outlines would be conveyed to the concerned countries and would also be reflected in the official report of the annual session.

88. The Executive Board approved the programme of assistance to the Government of the Central African Republic (DP/FPA/CAF/5) and took note of the following country programme outlines and the comments made thereon: Cameroon (DP/FPA/CPO/CMR/4); Côte d'Ivoire (DP/FPA/CPO/CIV/5); Equatorial Guinea (DP/FPA/CPO/GNQ/4); Mali (DP/FPA/CPO/MLI/5); Mauritania (DP/FPA/CPO/MRT/5); and Nigeria (DP/FPA/CPO/NGA/5).

Arab States region

89. The Director, Division of Arab States and Europe (DASE), briefly highlighted the main developments in the Arab region pertaining to the UNFPA mandate and the programmes before the Executive Board: poverty in the region was highly correlated to population and reproductive health parameters; though the majority of Arab countries had progressed in their demographic transition there were emerging demographic issues that interfaced with policy and programme implementation and the efforts to achieve sustainable development; the population of the region, estimated at 280 million in 2000, was growing at a high rate of 2.4 per cent per annum; the increasing cohorts of youth and adolescents would impact the demand for education, reproductive health knowledge and services, employment and housing; the trend would also exacerbate anomalies in per capita income, poverty reduction strategies, migration streams, urbanization, gender equality, and delivery of basic social services, including gender-sensitive reproductive health services. Despite progress in gender equity and equality and the empowerment of women, adolescents and women in the Arab region continued to have a low status and a lack of access to reproductive health information and quality services. In most countries in the region, the number of reported cases of HIV/AIDS and other sexually transmitted infections (STIs) did not reflect actual prevalence. UNFPA support for HIV/AIDS-related programming in the region had grown over the years. The UNFPA-supported programmes before the Board, inter alia, focused on increasing the availability and improving the quality of reproductive health information and services; meeting the special needs of adolescents and youth; and establishing partnerships with civil society

90. A number of delegations called for increased assistance to meet the challenges in the region. One delegation asked whether there was new information that justified the observation made during the introduction that in most countries in the region the number of reported HIV/AIDS cases did not reflect the actual prevalence in the population. The delegation stated that its own country had half of the population of the region and the Government's HIV prevalence figures matched those of a recent international study on high-risk groups. One delegation stated that HIV/AIDS was a

major challenge for its country and it needed additional resources to fight the scourge that was mainly affecting youth between the ages of 14 and 18. The delegation also appealed for assistance in dealing with the heavy burdens caused by conflict, drought and the influx of refugees. One delegation appreciated the country programme outline for Djibouti and noted that the Fund's programme complemented the programme supported by its own country, particularly in the area of HIV/AIDS. The delegation added that its country was providing support for Djibouti's health structure and would also seek to support UNFPA efforts to combat HIV/AIDS.

91. Regarding the reference to underreporting on HIV/AIDS prevalence, the Director, DASE, stated that his observation pertained to the region as a whole and not in particular to the country whose delegation had raised a query. He pointed out that while the reporting system in that country was functioning well, the same was not true of many other countries in the region. Indeed, surveillance figures from several countries had indicated that the government figures were much lower. Concerning the appeal of one delegation for additional funding for its country to combat HIV/AIDS, he noted that UNFPA was seeking additional resources to meet those needs, including from the OPEC Fund. He added that the issue of migration and refugees was a high priority and UNFPA would do all that it could to address it. He thanked Italy and Japan for their support.

92. The Executive Board approved the programmes of assistance for Egypt (DP/FPA/EGY/7) and Tunisia (DP/FPA/TUN/7) and took note of the country programme outlines for Djibouti (DP/FPA/CPO/DJI/2) and Jordan (DP/FPA/CPO/JOR/6).

Asia and the Pacific region

93. The Director, Asia and the Pacific Division (APD), highlighted some of the major challenges in Asia and the Pacific region: extreme poverty was a major problem in many countries in the region; Asia, with 60 per cent of the world's population, accounted for almost half of the world's annual population increase; wide variations existed in the demography of the region; while significant progress in the social sector, including in the areas of population and reproductive health, had been achieved in many countries in East and Southeast Asia, the countries in South Asia faced serious problems with regard to maternal mortality, infant mortality and high population growth rates; poverty reduction in South Asia had been slow; adequate provision of quality reproductive health services remained a major challenge in many countries in the region; adolescents (between the ages of 10 and 19) accounted for more than one fifth of the region's total population and were most at risk of unwanted pregnancies and STIs, including HIV/AIDS; the rising incidence of HIV/AIDS posed one of the biggest threats to the region; and although HIV/AIDS had come late to Asia its spread had been swift and an estimated 7.1 million people in the region were currently living with the disease. The country programme outlines before the Executive Board had been developed to address the specific needs and priorities of the concerned countries. The UNFPA-supported programmes would focus on addressing population, reproductive health and poverty reduction issues, linking and integrating activities to sectoral development priorities; mainstreaming HIV/AIDS prevention; improving access to youth-friendly reproductive health information and services; enhancing the status of women; and building national capacity.

94. Delegations made the following comments pertaining to the Bangladesh country programme outline (DP/FPA/CPO/BGD/6): the country programme outline was excellent and the UNFPA country office in Bangladesh was to be congratulated on its inclusive programme development process; UNFPA was a principal advocate for Bangladesh's health and population sector programme and the Fund's support was very valuable; the Fund's move towards a greater focus on advocacy rather than on implementation of direct activities was welcomed; the main focus of UNFPA in Bangladesh should be on reducing maternal mortality and improving access to family planning; UNFPA was to be commended for its leadership role in the area of reproductive health in the context of the SWAp; behaviour change communication (BCC) should be linked to services and the proposed programme should have a linkage to the Bangladesh Integrated Nutrition Programme (BINP) which had a substantial BCC component supporting safe motherhood and reproductive health; the BINP had several interventions that contributed to the reduction of the need for emergency obstetric care and the proposed UNFPA programme should reflect that, taking into account the lessons learned from the BINP; UNFPA should also consider focusing its efforts to improve maternal health in the districts selected by the BINP; and UNFPA should clarify how the proposed activities would contribute to a 40 per cent decline in contraceptive discontinuation over the life of the proposed programme.

95. With reference to the India country programme outline (DP/FPA/CPO/IND/6), delegations made the following main points: UNFPA should take a leadership role at the national level in coordinating United Nations support for India's family welfare programme; the Fund should clarify how its programme fits in with the plans of other United Nations agencies; concerning HIV/AIDS, it would be better to target scarce resources on high-risk groups, including adolescents, rather than on the two relatively low-risk groups mentioned in the programme outline, namely, pregnant women and post-menopausal women.

96. One delegation made the following comments concerning the Papua New Guinea country programme outline (DP/FPA/CPO/PNG/3): the areas highlighted in the programme outline accorded with the development priorities of Papua New Guinea; to ensure coverage and avoid duplication UNFPA should strengthen coordination with other United Nations agencies, donors and NGOs; the Fund should clarify what level of cooperation existed between UNFPA and other donors; UNFPA should elaborate on its support for policies such as those embodied in the National Health Plan 2001-2010; the Fund should clarify its planned level of engagement with the country's Health Sector Improvement Programme; and the Fund should contribute to enhancing NGO capacity through training in the management, monitoring and reporting standards required by UNFPA.

97. The Director, APD, concurred that HIV/AIDS was a priority area and that it was important to focus on high-risk groups in India, including adolescents. He agreed that coordination with donors and other development partners was very important and UNFPA would continue to give it serious attention. He further agreed that UNFPA should work more closely with NGOs and focus more attention on building their capacity through training.

98. With regard to HIV/AIDS activities, the UNFPA Representative in India pointed out that the National AIDS Control Programme (NACO) had agreed to focus on mainstream groups, in addition to high-risk groups. In particular, prevention was

critical among adolescents who made up 24 per cent of the country's population. He agreed that coordination was a very important issue and noted that to ensure coordination UNFPA utilized a consultative process with other development partners at national and district levels. UNFPA also chaired an inter-agency working group on population and development and had recently collaborated with WHO on developing a life skills model. The Fund was also an active member of the AIDS theme group. He noted that the proposed country programme built on past achievements and proposed goals that were achievable.

99. The Executive Board took note of the following country programme outlines and the comments made thereon: Bangladesh (DP/FPA/CPO/BGD/6), India (DP/FPA/CPO/IND/6), and Papua New Guinea (DP/FPA/CPO/PNG/3).

Latin America and the Caribbean region

100. In his introduction, the Deputy Director, Latin America and the Caribbean Division, highlighted some of the key trends in the region: economic growth had been unsteady during the 1990s, marked by frequent and severe crises due to the volatility of capital, internal conflicts and natural disasters; poverty and inequality were expanding; Latin America was one of the most inequitable regions in the world and the socio-economic disparities within the region were enormous; the region was highly urbanized with 75 per cent of Latin Americans living in cities; there was a positive political environment for the fulfilment of the ICPD Programme of Action; and most of the countries had developed legal instruments and expanded programmes to address sexual and reproductive health needs within a human rights approach. He noted that there were encouraging improvements in some ICPD indicators and progress towards some MDGs. However, considerable gaps existed between and within some countries. For example, in the area of adolescent reproductive health some countries had teenage pregnancy rates that were far above the regional mean. Similarly, some countries in the region had very high maternal mortality rates and low contraceptive prevalence rates. The HIV/AIDS epidemic in the region was highly diverse and countries with the highest prevalence were located in the Caribbean. He observed that women were joining the labour force in increasing numbers but at the same time the empowerment of women was hindered by traditional cultural patterns and male dominance. Given the modest level of its resources for the region, UNFPA was focusing on becoming a catalyst for leveraging and guiding the use of larger resources of government and other development partners, including to promote more effective approaches to South-South cooperation.

101. During the discussion several delegations took the floor to express support for the Bolivia, El Salvador and Venezuela country programme outlines and to thank the Deputy Director for his clear and concise introduction. With reference to the Bolivia country programme outline (DP/FPA/CPO/BOL/4) the comments by delegations focused on the following main points: the strategy had been well analysed and thought out and the Fund's geographic and sectoral focus and increasing reliance on national execution to build national capacity were greatly appreciated; UNFPA was commended for the exemplary consultative process utilized to develop the programme involving the broad participation of the Government, donors and other stakeholders; a clearer link between the programme strategy and the goals of the Bolivian PRSP was needed; the shift to a greater focus on advocacy and less focus

on service delivery was welcomed, however UNFPA needed to elaborate on the results of its past advocacy work and plans for future advocacy work; the Fund also needed to clarify what would be entailed in building alliances with civil society organizations. In addition, UNFPA should include information on its own human resources on the ground and elaborate on how it would build up its own capacity to carry out the programme. One delegation observed that a greater focus in the programming of the Fund's resources in Bolivia would help in achieving results. For example, the proposed HIV/AIDS and bilingual education activities appeared to be ancillary to the main efforts. Furthermore, those two areas were already being addressed by other United Nations agencies. One delegation noted with appreciation that several of the comments made on the Bolivia programme were also useful for other countries. The delegation of Bolivia thanked UNFPA for its consistent support to its country and noted that the new country programme was based on the priorities of the Government and the lessons learned from the previous programme. The delegation added that the programme would help to reduce poverty. It had been developed in close cooperation with other development partners, including bilateral donors, United Nations agencies and civil society organizations.

102. The following main points were made by one delegation concerning the El Salvador country programme outline (DP/FPA/CPO/SLV/5): UNFPA had developed a remarkable expertise in both policy and programme essentials to lead in the area of population and reproductive health, including family planning and sexual health; UNFPA could do a great deal where others could not; the Fund should elaborate on the existing capacity of the Ministry of Public Health and NGOs to provide information and services and should indicate how UNFPA planned to fill the gaps and improve coverage; the programme should include capacity-building in the area of procurement; social marketing techniques should be utilized, given the focus of the programme on adolescents; as regards HIV/AIDS, more attention should be focused on high-risk groups and reducing HIV transmission; the programme should contribute to mitigating the impact of hazardous environmental effects on reproductive health. The delegation of El Salvador expressed appreciation for the support received and noted that it was important to take into account and draw on the capacities of government and NGOs in order to seek synergies and avoid duplication.

103. Concerning the observations of one delegation regarding the Fund's proposed HIV/AIDS and bilingual education activities in Bolivia, the Deputy Director, Latin America and the Caribbean Division, underscored that UNFPA had a comparative advantage in the provision of contraceptives and other reproductive health commodities. He added that the Fund was not duplicating efforts in the area of bilingual literacy. Also, experience had indicated that the bilingual literacy programme offered valuable opportunities to introduce population and reproductive health concepts and issues in varying cultural settings. He took note of the comments made on the El Salvador programme and concurred that the country had special needs given its high population density and the natural disasters it had suffered.

104. The Executive Board took note of the Bolivia (DP/FPA/CPO/BOL/4), El Salvador (DP/FPA/CPO/SLV/5) and Venezuela (DP/FPA/CPO/VEN/1) country programme outlines and the comments made thereon. The Executive Board approved the programme of assistance for the English- and Dutch-speaking Caribbean countries (DP/FPA/CAR/3).

UNDP/UNFPA segment

VII. Internal audit and oversight

UNFPA

105. The Deputy Executive Director (Management) introduced the report on UNFPA internal audit and oversight activities in 2001 (DP/FPA/2002/8), noting that the budget for the UNFPA audit function in 2001 had been about $1.3 million, a significant increase over the budget for 2000. She underscored that UNFPA continued to accord high priority to the audit and oversight functions and an indication of that was the allotment of $1.5 million in 2002 to internal audits despite the need to impose austerity measures in other areas of the Fund's support budget. She noted that it was a matter of serious concern that the share of offices audited that received a satisfactory rating fell from 44 per cent in 2000 to 33 per cent in 2001. She pointed out that at the same time the share of offices rated deficient or seriously deficient had declined from 22 per cent in 2000 to 18 per cent in 2001. She emphasized that UNFPA was monitoring the nature as well as the scope of lapses in internal controls reported in the audits in order to identify root causes and remedial measures. She added that the recently concluded UNFPA exercise to establish a typology for country offices would enable a transparent, systematic effort to delineate the competencies required for good programme and office management practices in different situations. The application of the typology would commence in 2003. She observed that to streamline processes, particularly to reduce transaction costs, UNFPA was working within the United Nations Development Group (UNDG) mechanism to simplify and harmonize programme procedures. She noted that the report (DP/FPA/2002/8) included a section on the reports of the Joint Inspection Unit (JIU), in response to a request by JIU that UNFPA share with its governing body its inputs and reactions to JIU reports. In addition, the report contained information on other oversight activities such as midterm reviews and policy application reviews. She assured the Executive Board that the findings of internal audit and oversight activities received close attention at the highest level in UNFPA.

106. During the discussion that followed a number of delegations underscored the importance of the internal audit and oversight functions and expressed concern that two thirds of the audit reports issued in 2001 had found the level of internal controls and compliance unsatisfactory and that the overall number of unsatisfactory reports had increased as compared to the previous year. Noting that audits should serve as tools for improvement, several delegations hoped that UNFPA would adopt measures to make improvements. One delegation expressed particular concern about the serious deficiencies in internal control procedures in one UNFPA division. The same delegation added that it was pleased to note that the share of audits with serious deficiencies had declined in 2001. The delegation stated that it was also pleased to note that the UNFPA Executive Director accorded top priority to addressing audit and oversight issues. Two delegations inquired about the root causes of problems and asked what were considered acceptable problems.

107. One delegation, referring to section II of document DP/FPA/2002/8, wondered if the outcomes reported pertained to the Fund as a whole as the report did not make clear how many offices and divisions were involved. The delegation added that the report did not clarify how the selection of offices and divisions to be audited had been made. The same delegation expressed concern that internal financial rules had

not always been adhered to. Regarding the issue of automation, the delegation wondered if UNFPA had identified the risks and measures to address them. Noting the limited executing capacity of the Office of Audit and Performance Review (OAPR), the delegation wondered whether the staff should be increased, given that internal audit was crucial for an effective and efficient organization. The same delegation expressed concern that high balances had to be written off in order to close projects and that internal control on cash was weak. The delegation inquired about the risk of fraud.

108. One delegation referred to an independent review conducted by its Government and asked for additional information relating to the following: access of the UNFPA Audit Section to the Executive Director; staffing constraints; whether an audit committee existed; and whether the Executive Director approved the annual audit work plan. One delegation remarked that the financial control problems occurring in country offices might be due to a lack of qualified staff. The delegation added that through further harmonization and cooperation among United Nations agencies it would be possible to have high quality staff.

109. The Deputy Executive Director (Management) thanked the delegations for their useful comments and queries. She assured the Executive Board that internal audit and oversight findings received serious and close attention. She underscored that key findings were incorporated in materials, workshops and training to address the problems detected. Thus, audits were utilized as a learning tool and not just as a control mechanism. Referring to the concern expressed by a number of delegations regarding the negative findings of audits, she said that the matter was of grave concern to UNFPA and was being addressed. She pointed out that the number of seriously deficient audit ratings had decreased. She noted that under the UNFPA transition process efforts were under way to improve systems and staff competencies. Regarding the query on direct access of audit staff to the Executive Director, she stated that proposals were being made to establish an internal audit section directly within UNFPA in 2003 and this proposal would be presented in the revised budget to be submitted to the Executive Board at its second regular session 2002.

110. Concerning the query about staffing, she noted that the Audit Section had a Chief, three professionals and two support staff. While some of those posts had been vacant earlier in 2001, they had subsequently all been filled. She agreed that an increase in staff would greatly help with the audit work. She added that under the transition process a new typology of country offices was being developed and it was proposed that in large offices with complex operations a post would be established for an operations manager. It was expected that that would help improve both the staffing situation and programme management in country offices and would give the Representative more time for important and critical matters. She also added that the UNFPA Executive Director accorded high importance to information technology and efforts were under way to improve connectivity. At present the financial systems were not all connected, however the Fund was in the process of making real time financial management data available in the field and at headquarters. She concluded by pointing out that the external auditors gave the Fund's financial statements an unqualified opinion for the biennium just completed.

111. The Chief, Office of Oversight and Evaluation (OOE), in response to the query about audit planning, stated that it was undertaken in two tiers. In the first tier,

UNFPA utilized the services of UNDP regional audit centres and the planning was undertaken in conjunction with the chiefs of those centres with the audits being carried out in the same countries as for UNDP. A cyclical approach was used and audits were conducted on a three- or five-year cycle. Until recently, audits had only been carried out in countries that had a resident UNFPA Representative, however, since 2001, country offices without UNFPA-appointed Representatives expending over $500,000 had been included in the audit plan. In the second tier of audit planning, UNFPA senior management was actively involved in selecting the country offices and headquarters units that would be audited. Selection criteria included the following: poor audit rating; volume of programme funds; volume of funds through national execution; direct payment; and the level of other resources. Concerning the closure of projects, she observed that a major exercise was undertaken in 2001 and over 1,200 projects were closed. She noted that in some cases funds were written-off, however, that was not a misuse of money rather it was a question of documentation. Regarding the query on cash controls and the risk of fraud, she clarified that the reference was to petty cash, i.e., amounts not over $300, and usually under $100. Sometimes the lack of an office safe and/or proper cash book would be noted through audit observations, the cumulative result of which could be unsatisfactory ratings. She assured the Executive Board that no fraud was involved. She added that the UNFPA senior management had adopted strict measures to prevent such occurrences. Also, shortcomings revealed through audits were addressed in a very systematic manner.

112. With regard to the query concerning what were acceptable problems, the Chief, OOE, pointed out that UNFPA did not look at audits in isolation from other controls and reviews. She stated that audits were strict and normally did not take contextual issues into account. Thus, it was for senior management to understand and take note of any special situation and/or extenuating circumstances. She agreed that the small size of country offices had limited capacity and until recently clear competencies for country offices had not been defined. However, that was now being addressed through the transition process. Regarding the query on the audit committee, she noted that UNFPA did not currently have an audit committee. However, in the transition process, the Fund's whole workflow and structure were being examined to determine which committees were required for the smooth, effective and efficient functioning of UNFPA. The thinking was that one such committee should not only look at audit issues but also at broader oversight matters.

113. The Executive Board adopted decision 2002/7 (see annex I).

UNDP

114. The Associate Administrator introduced the report on internal audit and oversight (DP/2002/12), which contained an assessment of key management issues and responses to suggestions made earlier by members of the Executive Board. He noted that while the implementation measures had produced positive results, some problems still existed, particularly regarding the cost and quality of audits of nationally executed projects. Those problems were being addressed in concert with the Board of Auditors. He reported that a task force had been established to assess the services of the internal audit function, which had completed its work in 2001 with recommendations to strengthen the audit and oversight functions. Some of them were already under active consideration.

115. Delegations commended UNDP for a frank assessment of matters related to personnel, procurement, monitoring and reporting. They also welcomed UNDP efforts to improve transparency and accountability. Many delegations, however, expressed concern or sought clarifications on a number of issues, including: delays in the recruitment of resident coordinators and their rapid turnover; difficulties in obtaining reports from executing agencies; the root causes of recruitment and payment problems; the involvement of non-audit staff on audit teams and advisory services as part of the internal audit mandate; the number of investigations about alleged malfeasance; the respective roles of the ombudsman and the disciplinary committee; and the number of deficient and seriously deficient country office audit ratings.

116. The Director, Office for Audit and Performance Review (OAPR), reported that the number of investigations had continued to rise. Consequently, a full-time criminal investigator had been hired. He also reported that several audits had been conducted with other United Nations funds, programmes and specialized agencies, including the United Nations Joint Staff Pension Fund, while others were underway, for instance, with the World Food Programme. Four joint missions were planned for 2003.

117. He reported that a group had been formed to review recurring problems by examining whether the policies and procedures in use needed revising or more enforcement or whether further training of staff was required. Regarding the new approach to auditing, the Director reported that six pilot cases had been completed with good results — observing, however, that they still constituted an evolving and learning process. He further observed that the involvement of non-audit staff had been taken to obtain the necessary skills without compromising the independence of audits. Steps taken to minimize the risk of conflict of interest include, first, that all audit teams should be supervised by OAPR and, second, that non-audit staff could not participate in the audit of offices in their regions. The Director advised that the details of investigations of malfeasance were not part of this report but were provided to the Board of Auditors and documented in a separate report.

118. On the issue of what was an acceptable level of deviation from financial regulations and rules, the Assistant Administrator, Bureau of Management, advised that deviation was not acceptable. Examples of problems, however, included occasional instances of expenditures being incurred before receiving funds, resulting from pressures to rapidly implement projects, and non-compliance owing to a lack of understanding of rules and procedures. He added that fraud and misconduct were not tolerated in UNDP. He further noted that as a result of the reforms undertaken in country offices, in some instances national officers with inadequate expertise and experience were carrying out control of financial matters. Concerted efforts, however, were being made to correct the situation, including the establishment of joint offices.

119. Regarding the number of unsatisfactory country-office audit ratings, the Director reported that he advised UNDP senior management to focus primarily on those offices with deficient and seriously deficient ratings. A new three point rating system was being introduced with the labels satisfactory, partially satisfactory and deficient. The marginally deficient category had been eliminated.

120. On delays in reporting by executing agencies, the Director reported that the situation had improved thanks to the utilization of information technology. He

further noted that the reporting demanded by the donor community was being discussed in the harmonization group and the task force of the Development Assistance Committee of the Organisation for Economic Co-operation and Development.

121. The Assistant Administrator, Bureau of Management, reported that delays in the recruitment of resident coordinators were largely a result of lengthy clearing processes that had recently been improved. He concluded by clarifying the distinct roles of the ombudsman and the disciplinary committee, explaining that the ombudsman mediated between staff and management, whereas the disciplinary committee acted as a court when the staff member had been charged and an investigation undertaken.

122. The Executive Board adopted decision 2002/7 (see annex I).

VIII. Reports on field visits

Report on field visit to Senegal

123. The rapporteur introduced the report (DP/2002/CRP.6). He thanked the organizers of the mission for the excellent arrangements. He outlined the economic and social conditions of the country and highlighted the coordination activities of United Nations and bilateral agencies in Senegal. He particularly commended the excellent coordination in the fight against the HIV/AIDS epidemic. He also commended the good work being done by UNDP and its associated funds (the United Nations Capital Development Fund and the United Nations Development Fund for Women) as well as UNFPA. The assistance provided had benefited many people at the grass-roots level, including women, to improve the quality of their lives.

124. Many speakers commended the work that was underway in Senegal, especially at the local level, with the active participation of local communities. They stressed that the mission had increased the United Nations credibility and confirmed that field visits provided useful inputs into the work of the Executive Board. Support to women in building their capacities and in acquiring assets was highly appreciated.

125. The representative of the UNDP Regional Bureau for Africa thanked the mission for their report and its recommendations, which would guide the preparation, coordination and implementation of future programmes in the country. He noted that staff changes at the country level had been undertaken to improve the efficiency and effectiveness of UNDP performance and to build capacities for poverty reduction.

126. He reported that Senegalese women had benefited from UNDP supported programmes, particularly in capacity-building for business enterprise.

127. The UNFPA representative thanked the Executive Board members for their visit to Senegal and noted that the mission had provided a unique opportunity for UNFPA to demonstrate how donor funds were utilized to support valuable and much-needed programmes in developing countries. He underscored the benefits of the UNFPA-supported reproductive health and HIV/AIDS prevention programmes in Senegal. In particular, he noted that youth clubs had been set up to provide information on HIV/AIDS and reproductive health issues to young and

disadvantaged people. The youth had been provided access to the Internet and other information technologies. Training was also provided on how to use computers. He emphasized that in the fight against poverty additional funds and resources were needed.

128. He also noted that while the resident coordinator had overall responsibility for the coordination of United Nations activities, coordination was shared among the relevant United Nations organizations based in the country. The chairmanship of the coordination meetings rotated on a monthly basis, with the respective chairs setting the agenda for the meetings. He stressed that the arrangement has worked very well.

129. The Executive Board took note of the report on the field visit to Senegal (DP/2002/CRP.6).

Report on field visit to Viet Nam

130. The report on the joint mission of UNDP/UNFPA and the United Nations Children's Fund to Viet Nam was not yet ready for formal presentation. The President of the Executive Board, however, made a preliminary oral presentation of the main issues and recommendations to which some members of the Board also made some preliminary remarks.

131. It was agreed to postpone formal discussion to the second regular session of the Board in September 2002, by which time the report would have been distributed and read by all delegations.

132. The Executive Board took note of the briefing on the field visit to Viet Nam.

UNDP segment

IX. Annual report of the Administrator for 2001, including the results-oriented annual report

Annual report of the Administrator for 2001

133. The Administrator introduced his report, including the results-oriented annual report (ROAR) (DP/2002/15) for 2001. He focused on the achievements and key challenges ahead with regard to democratic governance, information and communications technology, the reform process, crisis prevention and recovery, partnerships, the World Summit on Sustainable Development, which would be held from 26 August to 4 September 2002 in Johannesburg, and the Millennium development goals (MDGs). For easy access, the statement by the Administrator was posted on the Executive Board secretariat web site at www.undp.org/execbrd/index.htm.

General comments on the annual report of the Administrator for 2001

134. Delegations commended UNDP for many aspects of its work, including: the high quality of the report which, for the first time, included the ROAR in one concise document; the organization's role in spearheading reconstruction efforts in Afghanistan and for assisting the Palestinian people; and its participation in

preparing the International Conference on Financing for Development and the World Summit on Sustainable Development. They also commended the organization for: its success in strengthening partnerships with a broad range of stakeholders, such as the World Bank, the United Nations Department of Economic and Social Affairs (DESA), United Nations regional commissions and regional banks, and civil society and the private sector; reversing the downward trend in regular resources; implementing the MDGs; carrying out reforms at headquarters and the country level; promoting information and communications technology for development; and supporting South-South cooperation activities.

135. Many delegations encouraged UNDP to continue to: adjust to changes as they unfolded; sustain efforts to mobilize additional regular (core) resources and broaden the sources of funding to minimize over-dependence on a few donors; ensure that regular resources remained the bedrock of UNDP funds; increase its role in the implementation of the MDGs, the Monterrey Consensus and the Doha process through, inter alia, the mobilization of the international community and strengthening relations with programme countries; establish stronger links between the MDGs and the poverty reduction strategy papers (PRSP); improve gender-mainstreaming and regional balance in UNDP staffing; strengthen South-South cooperation or mainstream technical cooperation among developing countries (TCDC) into the overall work of UNDP; improve the resident coordinator system, especially the recruitment process and the provision of additional resources to facilitate coordination; strengthen, in a selective manner, partnerships with stakeholders in consultation with the Governments concerned at the country and regional level; and reinforce further the capacity of countries to prepare and implement programmes and assume ownership of their outputs without conditions attached.

136. Some delegations sought clarifications or more information about the utilization of other (non-core) resources; the experience gained from the reports on the MDGs and how UNDP intended to mobilize the international community and monitor the implementation of the MDGs.

The response of the Administrator

137. The Administrator responded by thanking the members of the Board for their expressions of support. He noted, however, that the organization had not succeeded in mobilizing adequate regular resources and appealed for political seriousness to resolve the challenge.

138. Regarding the link between the MDGs and the poverty reduction strategy papers (PRSPs), he observed that the former built political pressure to address the development challenges, measured results and assessed the accountability of the stakeholders. The PRSP provides a macroeconomic framework for translating the MDGs into a programmatic response, whereas the United Nations Development Assistance Framework (UNDAF) provided a channel through which the United Nations contributed to the implementation of the PRSP process. UNDP played a lead role in matters related to the MDGs, working in close collaboration with the United Nations systems, the World Bank and others at the country level. The World Bank led the PRSP process with support from the UNDP. Ownership of the MDGs and PRSP processes and products were owned by the country concerned. The role of

the United Nations was to stimulate debate on alternative choices and routes a country should take.

139. The Administrator confirmed that the resident coordinators were overburdened because of their responsibilities as resident representatives and coordinators of country teams. They were working hard to ensure greater integration of United Nations activities through the simplification and harmonization of procedures and through common programming arrangements, as required by the Economic and Social Council and other United Nations bodies.

140. On staff reduction at the country level, the Administrator reported that absolute numbers had declined by shifting from a larger staff of messengers, drivers and clerks to a smaller but more highly qualified professional national staff who would play a crucial role in policy-related matters. In that way, UNDP was able to respond to the need to strengthen professional capacities at the national level. .

Overview of the results-oriented annual report 2001

General comments on the results-oriented annual report 2001

141. The second part of the debate focused on the results-oriented annual report (ROAR). Many delegations commended UNDP for a concise, honest and more user-friendly presentation. They underscored areas where progress had been made, such as in the application of results-based management (RBM), which had engendered more realistic reporting; the preparation of human development reports at the national level and the translation of the corporate mandate into development actions.

142. They also indicated areas where more work was needed, in particular: gender-mainstreaming; the quality of reporting; comparison of performance with previous years; allocation of resources among practice areas; focus of UNDP activities; and incorporation of findings and recommendations into management actions.

143. Some speakers sought clarification or more information on how UNDP had aggregated the achievements; the impact of programmes at the country level; how RBM was being applied at headquarters and in the field; whether sufficient capacity existed to manage RBM across the board; strategic priorities of the next strategic results framework (SRF) in view of the World Bank move to provide assistance through grants and the timetable for the preparation of the next multi-year funding framework (MYFF).

144. Some delegations recommended that more information should be provided about the work of the United Nations Office for the Coordination of Humanitarian Affairs in transition situations; the use of concepts such as human security, which had not yet been adopted in the United Nations, should be avoided; the link between local governance and poverty reduction should be elaborated; a clear strategy on how to make globalization work better for the poor should be presented; public relations efforts on UNDP achievements should be strengthened; and UNDP should explore ways to promote RBM within the United Nations Development Group.

The response of UNDP

145. UNDP officials responded that the ROAR provided an assessment of the organization's contribution to the expected outcomes at the country level. The

impact of that contribution was assessed through evaluation missions whose results were presented to the Executive Board through a separate report. They observed that SRF targets were set by the country offices in concert with their respective regional bureaux and the outcomes were reported by country offices. Those outcomes were verified by UNDP internal audit missions. The comparison of results between countries and among practice areas remained a problem for which a solution needed to be found by the development partners.

146. UNDP officials concurred that adjustments to the ROAR format should be undertaken to enrich the quality of reporting. They advised, however, that further consultations were needed with members of the Executive Board on the methodology for the assessment and preparation of the next MYFF.

147. On issues related to gender-mainstreaming, it was reported that the Bureau for Development Policy had been requested to propose corrective measures, including the strengthening of staff capacities to address such issues and to measure results adequately.

148. The allocation of regular (core) resources among the six practice areas reflected priorities set by Governments in programme countries.

149. The Executive Board adopted decision DP/2002/8 (see annex I).

X. United Nations Capital Development Fund

150. In introducing the results-oriented annual report of the United Nations Capital Development Fund (UNCDF) (DP/2002/14), the Associate Administrator commended UNCDF for its achievements in local governance and micro-finance in spite of financial constraints. He welcomed the strengthening of the relationships between UNCDF and UNDP through a Memorandum of Understanding on micro-finance.

151. The Executive Secretary of UNCDF asked the members of the Board three questions: Was UNCDF producing the results expected from it? Did UNCDF fit into the international development financing architecture? What was the future of UNCDF? Stating that concrete pro-poor achievements had again been realized in 2001 and stressing the importance of a specialized organization in piloting small-scale investments that could be replicated by others and producing results that were fully consistent with the goals set during previous international forums, including the Millennium development goals (MDGs), he answered the first two questions in the affirmative. The Executive Secretary, however, expressed deep concern about the future of UNCDF and its programmes because of inadequate financial resources and appealed for an increase in core funding to $30 million in 2003 and to $33 million in 2004.

152. Twenty-two delegations took the floor and endorsed the conclusions reached by the UNDP Associate Administrator and the UNCDF Executive Secretary. Delegations commended the work of UNCDF and the results so far achieved, which are contributing to poverty reduction. They also applauded the strengthening of UNDP-UNCDF relations and place of UNCDF within the international development financial architecture.

153. Delegations commended UNCDF for a clear presentation of the report, for providing relevant and quantifiable indicators and for facilitating comparison with results for 2000. They also appreciated the transparency in the financial analysis and the introduction of performance budgeting. Many speakers from programme countries commended UNCDF highly for its contribution to poverty-alleviation efforts in their countries.

154. Clarifications were sought on a number of issues, including the relationship between UNCDF and other international financial organizations; projects that had been successful in the areas of policy impact and replication; and the validity of statistical indicators based on very few project reports. Other delegations wished to know why UNCDF support to infrastructure had been slipping away from its focus on institutional development for local governance and why it had not been more pro-actively seeking changes in the micro-finance policy environment.

155. Delegations regretted the current financial constraints and appealed for an increase in core resources and a diversification of the resource base so that UNCDF could continue its valuable work, particularly in the least developed countries.

156. The Executive Secretary thanked the delegations for their expressions of support and appreciation of UNCDF work in 2001. He regretted that as a result of time constraints he had been unable to respond to the points raised. He promised that a detailed written response would be sent out to all delegations in due course.

157. The Executive Board took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2002/14).

XI. Funding commitments

158. The Administrator introduced the report on the status of regular resources funding commitments to UNDP and its funds and programmes for 2002 and onward (DP/2002/16 and DP/2002/CRP.8), noting that the overall financial situation of UNDP and its associated funds and programmes had risen by 9 per cent in 2001, the highest level achieved to date. Regular (core) resources had also seen a reversal in their seven-year downward trend. The Administrator paid tribute to the donors that had brought about this positive change and thanked countries that had pledged for 2003 and 2004. He appealed to Governments that had not yet announced their pledges to do so in order to enable the organization to implement fully the objectives of the new and reformed UNDP.

159. Delegations commended the Administrator and his colleagues for a successful 2001 and underscored that the organization had reemerged as a major development player in the wake of the reform process. They made a wide range of comments on the report and suggested ways to improve the funding situation through: a diversification of funding sources to avoid over-dependence on a few donors; intensification of resource mobilization efforts; and the use of various international fora to raise the issue of increased resource flows to UNDP. Specific reference was made by a number of delegations to address the issue of regular funding in view of developments with regard to grantization of a portion of international development assistance (IDA). There was a consensus that core resources would remain the bedrock of the organization and should not be replaced by non-core funding.

160. The Administrator thanked the delegations for their encouraging remarks and for their financial support. He stressed the importance of addressing the issue of balance in the international architecture in light of developments with IDA. He also noted that UNDP was potentially a pilot partner for several countries in delivering government services where the Government was not functioning as a result of a post-conflict situation. Such support would focus on institutional capacity-development. He noted that conceptually there was a basis for pursuing a partnership between the World Bank and UNDP; adding, however, that it would be impossible without a strong political thrust by the common owners of the two organizations. He stressed the need to find a forum to take the agenda forward to final closure.

161. The Director, Division for Resources Mobilization, reported that the major sources of funding of co-financing were bilateral donors, the European Commission and programme country Governments. The concept of co-financing is built into the idea of shared commitment. She reported that the aggregate level for thematic trust funds had amounted to $21.3 million in 2001. In terms of regional focus, the Director observed that there was a strong commitment by UNDP to work closely with partners to ensure a wide resource base, access to the least developed countries (LDCs) and broad participation, in particular in relation to Africa. There was also an in-built bias towards privileging LDC access to unearmarked contributions that came to the thematic trust funds.

162. The Executive Board recognized that in the wake of the Monterrey Consensus — reached at the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March, 2002 — there existed a unique opportunity to examine in a comprehensive and holistic manner the future funding of multilateral organizations, such as UNDP, working in the development field.

163. The Executive Board adopted decision 2002/9 (see annex I).

XII. Programming arrangements

164. The Associate Administrator introduced document DP/2002/17 on issues and principles for possible improvements in the present programming arrangements, which contained proposals for the allocation of regular resources in 2004 and beyond. The proposed changes had been designed, inter alia, to: (a) improve the existing TRAC-1 distribution methodology; (b) further increase focus on low-income and least developed countries (LDCs); (c) strengthen the role of UNDP in United Nations system coordination; (d) provide a greater flexibility in the context of results-based management process; (e) facilitate the ability of UNDP to respond to programme countries' request for advisory services within the framework of the Millennium development goals; (f) simplify the current arrangements; and (g) provide timely response to programme countries facing serious economic, financial and social crisis.

165. Many informal meetings and consultations preceded the intense debate at the annual session 2002. Delegations referred to decision 95/23 regarding the basic principles of neutrality, universality and multilateralism that characterize UNDP assistance to programme countries. They agreed, in principle, that the bulk of resources had to benefit low-income countries and LDCs and that countries in this

category should not suffer a reduction in allocations. Some delegations sought clarification regarding the introduction of minimum TRAC-1 allocation of $350 000 to provide country offices with critical mass of regular resources.

166. Delegations agreed, in principle, that the method for allocating resources should be simple, flexible, transparent and, to the extent possible, universal. Some delegations suggested that, in certain instances, universality could be realized through multi-country or subregional arrangements. Other delegations wished to know more about the mechanism for graduating countries to net contributor country (NCC) status. To harmonize the Programme Framework period with that of the Biennial Support Budget, some delegations recommended that the current financing arrangements should be extended to the end of 2004.

167. The Assistant Administrator, Bureau of Management, confirmed that the basic principles had been adhered to and the low-income countries and LDCs would continue to receive the bulk of regular resources. The allocation of a minimum of $350 000, he noted, had been chosen in order to respond to the urgent requests from country offices, taking into consideration what other United Nations organizations, such as the United Nations Children's Fund, had done. He also outlined the formula for allocating resources to different categories of programme countries. On the issue of graduation, he reported that some countries had already graduated to NCC status. Multi-country arrangements had already been established in some cases.

168. The Executive Board adopted decision 2002/10 (see annex I) in which it requested, inter alia, that further clarifications and additional alternative scenarios should be submitted at its second regular session in September 2002.

XIII. Country programmes and related matters

169. The Executive Board reviewed the second regional cooperation framework for Europe and the Commonwealth of Independent States (2002-2005) (DP/RCF/REC/2); nineteen country programme outlines (CPOs); five country cooperation frameworks (CCFs); the extensions of CCFs for Cuba and Thailand (DP/2002/22) and the request by Argentina (DP/2002/CRP.9).

170. Delegations endorsed the proposed strategy and the three areas of concentration: democratic, economic and environmental governance of the regional cooperation framework for Europe and the Commonwealth of Independent States. They also appreciated the comprehensive consultation process among the relevant stakeholders, namely Governments, regional institutions and non-state actors.

171. The Executive Board approved the second regional cooperation framework for Europe and the Commonwealth of Independent States (DP/RCF/REC/2).

172. Regarding the country programme outlines, delegations expressed the need to rationalize and focus on a few areas in which UNDP had a comparative advantage in order to optimize the impact of the programme and to avoid duplication with programmes supported by other donors. Delegations emphasized the need for further coordination of United Nations system efforts at the local level through further harmonization of programming periods and joint programming.

173. The consultation process, in many cases, left room for improvement. It was suggested that UNDP should promote comprehensive consultations and improve communications with other partners, especially at the country level.

174. The allocation of resources among the priority areas attracted some attention. It was recommended that every effort should be made to ensure equitable distribution among the sectors being supported.

175. The role of UNDP in regional development processes and initiatives and in South-South cooperation was stressed.

176. Building partnerships at the local level, in particular with CSOs and the private sector, was encouraged.

177. The respective bureaux immediately sent their comments on each country programme outline to the country offices concerned for incorporation into the final programme.

178. The Bureau of the Executive Board of UNDP and UNFPA decided at its meeting on 17 July 2002 that the present report would only cover the general issues of the debate whereas detailed comments on individual country programme outlines would be posted on the web site of the Executive Board secretariat at www.undp.org/execbrd/index.htm.

179. The Executive Board took note of the nineteen country programme outlines and comments made thereon as well as the extensions of the country cooperation frameworks for Cuba and Thailand (DP/2002/22).

180. The five CCFs were approved on a no-objection basis, since there were no requests from the five members of the Executive Board to discuss a particular CCF.

181. Because of its current economic and financial crisis, the Government of Argentina requested that the Executive Board suspend its status as net contributor country. The request received wide support from members of the Board.

182. The Executive Board adopted decision 2002/11 (see annex I) and requested that UNDP set up a special trust fund so that Argentina could benefit from technical assistance.

XIV. United Nations Volunteers

183. The Executive Coordinator, United Nations Volunteers (UNV), introduced the report (DP/2002/18), highlighting key activities carried out during the biennium 2000-2001, including the role of UNV as focal point for the International Year of Volunteers (IYV) 2001. Among the key outcomes of the Year were increased awareness of the contributions of volunteerism to economic and social development; greater appreciation of the importance of civic engagement; and the strengthening of volunteer networks. In recognition of the pivotal role of volunteerism, 126 Member States co-sponsored General Assembly resolution 56/38 on ways in which Governments and the United Nations system could support volunteering. Concluding her remarks, the Executive Coordinator noted that significant strides had been made in gaining recognition of the power and value of volunteer action from institutions focusing on social development. UNV would continue to build on this success to ensure that volunteer contributions were equally appreciated and

recognized among institutions dealing with economic development. In 2001, UNV also achieved its fifth successive year of growth with 5 090 UNV volunteers representing 160 nationalities carrying out 5 432 assignments in 140 countries.

184. Delegations commended the high quality of the report and the informative introduction. They appreciated the continued growth of the Programme and its contribution to development cooperation. As an important component of strategies dealing with sustainable development as well as disaster prevention and management, Governments and United Nations organizations were urged to embrace fully the concept of volunteerism and harness that untapped potential, including in efforts to achieve the Millennium development goals.

185. Programme countries acknowledged the value-added of volunteer contributions to their development efforts, in particular the strengthening of local capacities and the fostering of national ownership. Many reaffirmed the value of UNV as a channel for South-South cooperation, noting that the broadened understanding and experience which UNV volunteers acquired during their assignments served as a catalyst to further development upon their return home.

186. United Nations organizations present at the annual session underscored the importance of volunteerism in achieving their objectives and voiced their appreciation of the spirit of service, dedication and motivation exemplified by UNV volunteers. Noting the crucial role that volunteer action already played in helping mitigate the effects of the HIV/AIDS epidemic, a call was made to draw more extensively on volunteers in future programme activities.

187. While recognizing the challenge of evaluating the contributions of UNV volunteers in activities managed by other United Nations organizations, delegations encouraged UNV to develop further mechanisms to assess the impact of its work. Delegations commended the initiatives taken to broaden opportunities for more people to volunteer their time and services for development, including on-line volunteering, university volunteer schemes, corporate volunteering and the intern programme. UNV was encouraged to pursue further its collaboration with the private sector, in particular in activities relating to corporate social responsibility. There was widespread support for pilot initiatives undertaken with resources from the Special Voluntary Fund. Many speakers requested additional funds to continue projects that demonstrate the relevance and value-added of volunteers and volunteerism as a force for development. UNV was highly commended for its role as focal point for IYV 2001, in particular its work with intergovernmental bodies, its support to national IYV committees and the setting up of the IYV web site.

188. The Executive Coordinator assured the Executive Board that UNV would continue to strengthen its performance reporting framework, noting that developments were advanced to issue an automated periodic reporting system. She also advised that the contributions of volunteers already form part of the UNDP results-oriented annual report.

189. Regarding support to the United Nations Information Technology Service (UNITeS), the Executive Coordinator noted that while financing had not been as forthcoming as expected, support from some Governments had enabled the mobilization of some 100 UNV volunteers to date. Emerging partnerships with universities would further strengthen the cadre of volunteers for building capacity on the use and applications of information and communication technology (ICT) for

development. She confirmed that UNV was a member of the United Nations ICT Task Force.

190. The Executive Coordinator confirmed that UNV would continue to promote the goals of the Year through, inter alia, the transformation of the IYV web site into a volunteer portal. She also confirmed that all UNV volunteers were fully integrated into the United Nations security management system at the country level; and that UNV was a member of the interagency security network. The Executive Coordinator thanked members of the Board for their continued support and for affirming that UNV was on the right track.

191. The Executive Board adopted decision 2002/12 (see annex I).

XV. United Nations Office for Project Services
XVI. UNDP-UNOPS relationship
VII. Internal audit and oversight (UNOPS)

192. The Executive Board considered all items together: the annual report of the Executive Director on the activities of the United Nations Office for Project Services (UNOPS) (DP/2002/19); UNOPS financial, budgetary and administrative matters - ad hoc submission of revised budget estimates for the year 2002 (DP/2002/CRP.10); report of the Working Group of the Management Coordination Committee on UNOPS (DP/2002/CRP.12); report of the Board of Auditors to the General Assembly on the accounts of the UNOPS for the biennium ended 31 December 2001 (DP/2002/CRP.13); the joint report of the UNDP Administrator and the UNOPS Executive Director on the progress achieved in the implementation of Executive Board decision 2002/2 concerning the UNDP-UNOPS relationship (DP/2002/CRP.11) and the report of the Executive Director on internal audit and oversight (DP/2002/13 and DP/2002/13/Add.1).

193. The Administrator of UNDP, who is also the chairman of the Management Coordination Committee (MCC), and the Executive Director of UNOPS both addressed the current difficult financial situation of UNOPS and the additional oversight mechanism put in place to deal with the situation. They also reported that budgetary and management measures had been introduced to streamline and achieve a balanced budget in 2002, without jeopardizing the quality of service. The Executive Director emphasized the advantages to all United Nations system partners of dividing labour and sharing responsibility in the implementation of projects on the basis of respective strengths. The Executive Board recalled the commitment by the Secretary-General to encourage United Nations entities to work through UNOPS, provided that it was cost-effective to do so (see document DP/2002/CRP.5).

194. Delegations recalled the need for a self-financing organization in the United Nations system and reiterated their support for the work of UNOPS as a separate and identifiable entity open to the entire United Nations system. They also welcomed the steps that had been taken to ensure a balance between income and expenditure in the 2002 budget, to diversify the clientele of UNOPS and to restore the level of the operational reserve. Several delegations referred to UNOPS as an innovator and paid tribute to the spirit and motivation of UNOPS staff, who represent the organization's capital. The Executive Board welcomed recent efforts to

improve oversight by the MCC and its Working Group and encouraged them along with UNOPS, within their respective mandates, to continue monitoring the implementation of the revised budget. The Board also called for an external, independent review of the business model under which UNOPS operated in order to secure its long-term viability, transparency, cost-effectiveness and adequate response to the demands of the organizations of the United Nations system.

195. The Executive Board adopted decision 2002/13 (see annex I), in which it requested UNOPS to undertake a range of activities and report back at the second regular session in September 2002.

XVII. Other matters

Informal consultations

196. Informal consultations were held on the system-wide approach and coordination in addressing HIV/AIDS, with the participation of the International Labour Organization, the secretariat of the Joint United Nations Programme on HIV/AIDS, the United Nations Development Programme, the United Nations Population Fund, the World Health Organization and the country offices of Cambodia and Swaziland.

197. Informal consultations were also held on improving the working methods of the Executive Board and on progress in the implementation of the Doha development agenda and trade-related assistance and capacity-building, with the participation of the International Trade Centre, the United Nations Conference on Trade and Development, UNDP and the World Trade Organization.

Decision on the least developed countries

198. The Executive Board adopted decision 2002/14 (see annex I) on the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

Part three
Second regular session

**Held at United Nations Headquarters in New York
from 23 to 27 September 2002**

I. Organizational matters

1. The second regular session 2002 of the Executive Board of UNDP and UNFPA met from 23 to 27 September in New York. At the session, the Executive Board approved the agenda and work plan for its second regular session 2002 (DP/2002/L.3 and Corr.1), as orally amended, and the report on the annual session 2002 (DP/2002/24). The Board also approved the list of items to be taken up by the Executive Board in 2003 (DP/2002/CRP.14).

2. It agreed to the following schedule of sessions of the Executive Board in 2003:

First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York)
Second regular session 2003:	8-12 September 2003

3. Decisions adopted at the second regular session 2002 were included in document DP/2003/2, which could be accessed on the web site of the Executive Board Secretariat at www.undp.org/execbrd/index.htm.

UNDP segment

II. Financial, budgetary and administrative matters

4. The Administrator introduced his report on the annual review of the financial situation in 2001 (DP/2002/25 and Add.1), information on United Nations system technical cooperation expenditure in 2001 (DP/2002/26 and Add.1), the report on the Inter-Agency Procurement Services Office (DP/2002/31) and its annual statistical report 2001 (DP/2002/32). He stated that in 2001 the overall resources of UNDP increased by 9 per cent and the regular (core) resources by 3 per cent. The growth in regular resources had reversed an eight-year downward trend. He reiterated that regular resources formed the bedrock of the operating base of UNDP. The challenge ahead, he observed, was to strive to mobilize more resources to meet the increasing demands of programme countries.

5. The Administrator briefed the Executive Board on the publication of the *Human Development Report 2002* and the *Arab Human Development Report 2002* and the successful participation of UNDP in the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002.

6. For easy access, the statement of the Administrator was posted on the web site of the Executive Board Secretariat at www.undp.org/execbrd/index.htm.

7. Delegations praised the high quality of the reports and the substantive and eloquent presentation by the Administrator. They commended UNDP for the 9 per cent increase in the overall resources and particularly the 3 per cent increase in regular resources in 2001. The upward trend, they noted, reflected a positive appraisal of the new UNDP by the donor community. They urged the Administrator and his colleagues to capitalize on the positive image by mobilizing more resources, especially regular resources – the bedrock of UNDP – and by meeting the increasing demands and priorities of programme countries. The mobilization efforts should

include a diversification of the resource base, including funds for special purposes. They also urged early and timely payment of contributions to avoid liquidity constraints and to realize greater predictability of income. UNDP was also encouraged to ensure efficiency and effectiveness in resource utilization in order to maximize savings.

8. The work of the Inter-Agency Procurement Services Office (IAPSO) was appreciated, including steps to become a self-financing entity. Delegations urged IAPSO to increase the level of procurement and the number of suppliers from developing countries.

9. Delegations underscored the usefulnes. of the report on technical cooperation of the United Nations system and commended the increase of 17 per cent in technical assistance delivered in 2001 by the entire United Nations system. In the case of UNDP, some delegations encouraged the linkage between upstream policy advice and long-term development at the country level. Other delegations urged that technical assistance should be adjusted in line with the recommendations prescribed at majo. United Nations conferences. Many delegations stressed that future reports should include World Bank inputs now that it had a grant component in its operations.

10. Some clarifications were sought regarding: (a) trends in trust fund financing in 2001; (b) the impact on UNDP in view of the grantization of a portion of international development assistance (IDA); (c) the regional implications of regular and other (non-core) resources and how to support the regular resource base more effectively from other resources; (d) closure of the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) and United Nations Fund for Science and Technology for Development (UNFSTD); and (e) the respective roles of UNDP, other United Nations organizations and the World Bank in the follow-up to the Millennium Development Goals (MDGs).

11. Some delegations made recommendations to improve the work of UNDP in development research and human development reports, especially with regard to methodology and processes.

12. In his response, the Administrator reaffirmed that UNDP needed more core and non-core resources to meet the increasing demands from programme countries and responsibilities placed on it. He stressed, however, that non-core resources would complement but not replace regular resources, which remained the bedrock of UNDP operational activities.

13. On the question of UNDP involvement in the grant component of IDA operations, the Administrator welcomed the organization's participation. He advised that such involvement, however, would depend on a clear definition of the respective roles and responsibilities between UNDP and the World Bank.

14. With regard to human development reports, the Administrator noted that the databases that were used were subjective and did not enjoy intergovernmental authority. He assured the Executive Board that the principle of country ownership would be absolutely respected in the preparation of human development reports. UNDP, he stressed, would continue to promote development thinking in areas where there was not yet a consensus.

15. On matters related to the MDGs, the Administrator reaffirmed that countries had primary responsibility in this endeavour. Reporting on regional and global activities lies with the United Nations system whereas UNDP was responsible for providing technical assistance for analytical work and monitoring results at the country level.

16. On thematic trust fund projection, the Administrator reported that income stood at $23 million. When contributions to crisis prevention and recovery were included, which amounted to $100 million, overall income was much greater. An update would be provided at the end of 2002.

17. The Assistant Administrator and Director, Bureau of Management, reported that the UNRFNRE and UNFSTD funds had been closed as a result of Executive Board decisions and a shortage of funds. He added, however, that activities in those areas had continued to benefit from core and non-core resources. It was agreed that further bilateral discussions between UNDP and the delegations concerned would take place at an appropriate time.

18. The Executive Board adopted decision 2002/16 on the annual review of the financial situation 2001 and decision 2002/17 on establishing a UNDP special reserve on separations relating to UNOPS (see annex I).

III. Programming arrangements

19. With regard to the report on programming arrangements for the period 2004-2007 (DP/2002/28), the Executive Board continued the discussions held at the annual session in June 2002. Accordingly, delegations' comments and UNDP responses were brief and focused on specific issues. It was reiterated that the bulk of resources should be allocated to the low income and least developed countries. Delegations also stressed close collaboration with United Nations funds, programmes and specialized agencies and emphasized UNDP coordination of United Nations activities at the country level.

20. In response to a question regarding the withdrawal of UNDP from countries which having reached a certain level of development could forgo the services of UNDP, the Associate Administrator stated that further consultations were still needed before a definitive position could be taken. He observed, however, that what was needed was a new type of modality for UNDP intervention rather than complete withdrawal.

21. Following intensive consultations, the Executive Board adopted decision 2002/18 (see annex I) with the following main features.

22. The Executive Board reaffirmed the principles of eligibility of all recipient countries on the basis of universality, neutrality, multilateralism, the voluntary and grant nature of assistance and the capacity to respond to the needs of all recipient countries in accordance with their own policies and priorities. The Board also recognized the principles of UNDP activities, including progressivity, impartiality, transparency and predictability of resource flows for all recipient countries.

23. The Executive Board reaffirmed the annual funding target of $1.1 billion and encouraged all countries to contribute to the attainment of that goal.

24. The Executive Board confirmed the current allocation process with some modifications as follows: (a) a minimum absolute allocation of $350 000 per country office to ensure that the base mandate of UNDP can be met and that country offices have a critical mass of core programming funds to leverage other (non-core) resources; (b) a move to a one-pool target for resource assignment from the core (TRAC) distribution model in order to avoid the distortions inherent in the current methodology; (c) the introduction of a fixed absolute allocation for selected programme lines/components in combination with some changes in the percentage shares for the remaining lines, including an increased share for the three TRAC lines.

25. In this connection, the Executive Board decided to reallocate the present facility for support for policy and programme development (SPPD) and support for technical services (STS) under the current resources for the increase of the TRAC allocations and the resident coordinator support facility.

26. The Executive Board underlined the importance of continued and close cooperation between UNDP and the specialized agencies and the need to make such cooperation an integral part of all UNDP assisted programmes at the country and inter-country level in order to ensure that optimum use was made of the technical knowledge of the specialized agencies in areas of UNDP assistance.

27. The Executive Board also decided that, in view of the extension of the programming period from three to four years, there would be a mid-term recalculation of TRAC line 1.1.1 earmarkings on the basis of the agreed distribution model as well as a special arrangement for the recalculation of TRAC 1.1.1 earmarkings for net contributor countries that experienced a drop of at least 25 per cent in their World Bank gross national income (GNI) per capita figure.

28. The Executive Board requested that the Administrator submit in 2007 a report with proposals for successor programming arrangements.

IV. Evaluation

29. In his remarks on the annual report of the Administrator on evaluation (DP/2002/27), the Associate Administrator underscored that UNDP had introduced, aligned, internalized and simplified results-based management (RBM) to enhance organizational performance and development effectiveness.

30. The Director of the Evaluation Office reported that UNDP had established a system of accountability replacing the old ex-post system. The evaluation compliance was no longer a numbers game but a more strategic choice of the lessons to be learned in establishing the link between conducting evaluations and the management and programming decisions in the future. He observed that a three-tiered accountability and learning system at the programme, country and macro levels had been established in a mutually reinforcing manner. The tracking system ensured that the evaluation office could monitor compliance as an integrated part of good management.

31. Delegations commended the report for its high quality and forthright conclusions as well as the publications produced by the Evaluation Office. The data from the development effectiveness report, for example, had assisted one of the delegations in their internal discussions about resource allocation to UNDP after the

International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002. Many delegations endorsed the four key elements in the report: (a) the need to reinforce development effectiveness; (b) the need to support national capacity for evaluation, especially in the context of monitoring progress towards the Millennium Development Goals (MDGs); (c) the need to strengthen further in an integrated manner the culture of managing for results in UNDP; and (d) a commitment to learning lessons in line with the UNDP vision of connecting countries to knowledge and experience.

32. Delegations appreciated the role of the Evaluation Office in results-based management and the progress it had in ensuring systematic evaluation methodologies, impact assessment and development effectiveness. They stressed the need to develop clear benchmarks to monitor progress towards the MDGs and urged the Evaluation Office to participate in the monitoring and evaluation of MDGs. UNDP was commended for its contribution, in partnership with the World Bank, to the International Development Evaluation Association (IDEAS) in supporting national Governments to track progress. UNDP was further commended for its support to the United Nations Inter-Agency Working Group (IAWG) on Evaluation. The group had potential for harnessing the United Nations system in monitoring the MDGs and in evaluating the United Nations Development Assistance Frameworks. The work undertaken by the Evaluation Office on governance and decentralization was appreciated. The report on lessons learned would be presented to the Executive Board at its second regular session in September 2003.

33. Some delegations sought clarification or more information about: (a) the independence of the Evaluation Office in comparison with other institutions, such as the World Bank, that report to their Boards; (b) information on the criteria used in the selection and prioritization of strategic evaluations; (c) the number of evaluations undertaken every year; (d) the difference between the results-oriented annual report (ROAR) and the development effectiveness reports (DER); and (e) the status of the country-driven evaluation exercise in Mozambique.

34. Some delegations recommended that the Evaluation Office should have more data including diagrammatic presentations based on time series. Others suggested that evaluations should be conducted on issues such as gender mainstreaming, the Business Plans, re-profiling exercise and partnership strategy. In light of its increasing responsibilities, several delegations raised the issue of the capacity of the Evaluation Office mindful that its budget had declined from $3 million in 1998 to the current level of just over $1 million.

35. The Director responded to the issues that had been raised. He acknowledged the support provided by the senior management of UNDP, noting that while there was a need for professionalism and objectivity in the way findings were presented, with management providing a response, the issue of the independence of the Evaluation Office was more complex. He reported that the agenda was determined through a process of consultations within UNDP and with partners. He advised that the agenda for strategic evaluations in 2002-2003 had already been posted on the web site at www.undp.org/eo.

36. He clarified the difference between the ROAR and the DER by observing that the ROAR was a record of the internal assessment of UNDP while the DER was a report based on external evaluations. The two documents, therefore, complemented each other in measuring progress. On the evaluation exercise for Mozambique, the

Director stated that there was a slow start but sufficient momentum had since been realized. The results and the experience gained would be presented to the Executive Board at its second regular session in September 2003.

37. The Director concluded his response by noting, with reference to more data based on time series, that the Evaluation Office needed to find a balance between more or less data. He suggested that informal consultations could be held with the Executive Board at an appropriate time to find a solution.

38. The Executive Board adopted decision 2002/19 (see annex I).

V. Country programmes and related matters

39. The Executive Board reviewed eight country programme outlines, two multi-country programme outlines, the programme of assistance to Somalia, the oral report on Myanmar, ten country cooperation frameworks (CCFs) and one CCF extension for Sierra Leone.

40. Delegations commented substantively on the programme outlines. The main issues in the debate were: (a) areas of focus; (b) linkages between upstream and downstream and between national and regional programmes; (c) gender-mainstreaming; (d) consultation process; and (e) coordination.

41. Many delegations expressed satisfaction with the areas of concentration, some of which had been drawn from common country assessments and United Nations Development Assistance Frameworks to address major development challenges, such as HIV/AIDS and capacity development.

42. There was also satisfaction about the mix and linkage between upstream and downstream activities. In the case of multi-country programme outlines, however, it was stressed that the linkage between national and multi-country programmes should be established.

43. Gender-mainstreaming received considerable attention in the discussions. Some delegations noted that commendable efforts had been made to mainstream gender activities in the selected focus areas of some country programme outlines.

44. On the consultation process, many delegations observed that comprehensive consultations among the relevant stakeholders, including the donor community, civil society organizations and the private sector, had taken place.

45. Some delegations commented on the role of coordination. It was stressed that greater coordination of all development partners was vital to bring about efficiency and effectiveness in the utilization of scarce resources. The role of UNDP was emphasized in creating or strengthening strategic partnerships for resource mobilization, management and coordination of programme activities. To realize this goal, UNDP country offices needed to be strengthened and sustained.

46. The Executive Board took note of all country programme outlines and comments made thereon. The respective bureaux sent the comments immediately to the country offices concerned for incorporation into the final programme. Those comments would be posted on the Executive Board Secretariat web site at www.undp.org/execbrd/index.htm.

47. Pursuant to the decision of 17 July 2002 of the Bureau of the Executive Board, the present report would only cover the main issues as presented above.

48. The ten CCFs were approved on a no-objection basis; no request from at least five members of the Executive Board to discuss a particular CCF was made. The Board took note of the one-year extension of the first CCF for Sierra Leone.

Assistance to Somalia

49. Pursuant to Executive Board decisions 93/4 and 99/7, the Administrator presented a note on Assistance to Somalia (DP/2002/29). The note outlined the UNDP programme in Somalia for 2002 to 2004. The note took into account the outcomes of a programme review and re-profiling mission of 2001 and the inter-agency mission of 2002. The programme would focus on governance, the rule of law and security, poverty reduction, empowerment of civil society organizations and gender. The Administrator sought the endorsement of the Executive Board to continue to approve projects on a case-by-case basis.

50. Delegations appreciated the achievements to date despite a very difficult external environment. They supported the new focus of the programme and the continuation of approvals on a case-by-case basis. They acknowledged UNDP achievements, particularly in the area of civil protection, and urged the programme to be more proactive in peace-building, with greater involvement in the North West part of the country. They appealed to the donor community for more support. They called for increased coordination with United Nations system and other entities in the country. UNDP and the Office of the United Nations High Commissioner for Refugees were also encouraged to translate the refugee integration initiatives into concrete action plans.

51. In response, the Resident Representative observed that a legacy of physical and human destruction and lost opportunity for children and young adults characterized Somalia. He also reported that insecurity remained a formidable challenge in many parts of the country, but that development work was possible in selected areas of tranquillity. Innovative approaches commensurate with the situation were needed in order to operate in the country.

52. The Executive Board took note of the Administrator's note on continued assistance to Somalia.

Assistance to Myanmar

53. The Resident Representative presented an oral report to the Executive Board on the preliminary findings and recommendations of the independent assessment mission, which took place in May and June 2002. He spoke about the status of the Human Development Initiative (HDI) projects and highlighted the impact of UNDP assistance on capacity-building and basic social needs at the grass-roots level.

54. He reported that, according to the findings of the independent mission, the gains made by the HDI projects were in danger of being wiped out because of the prevailing unfavourable macro-economic environment. There was therefore a need to support pro-poor policy analysis and advocacy and to sustain project achievements.

55. The Resident Representative confirmed that he continued to consult regularly with officials of the National League for Democracy, the international community and civil society organizations. He also reported that, following her release from house arrest, Daw Aung San Suu Kyi, leader of the National League for Democracy, had visited UNDP Human Development Initiative (HDI) project sites and gained useful insights about project activities and their impact.

56. He further reported that the United Nations country team had been engaged in discussions about various strategies and options for expanding humanitarian assistance, including HIV/AIDS and activities for quick impact interventions.

57. Delegations appreciated the contribution of UNDP in addressing the humanitarian and development needs of the poorest segment in Myanmar in spite of the difficult and deteriorating economic and social environment about which they expressed their concern.

58. Notwithstanding the slow pace in the political dialogue, some delegations suggested that the scale and type of UNDP assistance should be adjusted and urged the Executive Board to review the current restrictions. They also urged the Government to create a favourable space in which to undertake genuine political dialogue with political entities.

59. Delegations acknowledged that: (a) the content and objectives of HDI conformed to the mandate of the Executive Board; (b) the emphasis was placed on supporting the poorest segment of the population; and (c) the assistance had generated positive results, including strong community participation in and ownership of project activities and outcomes.

60. The Resident Representative responded by assuring the Executive Board that their comments would be taken into account as appropriate in project implementation. He confirmed that the United Nations expanded theme group mechanism encompassed membership from all United Nations organizations in the country and five members of the international community. Discussions were underway to possibly expand the group to include more members of the donor community and civil society organizations.

61. The Assistant Administrator and Director, Bureau for Asia and the Pacific, emphasized that UNDP assistance to Myanmar was tailored to suit the specific circumstances in the country. While it would be prudent to continue to work within the current guidelines, he indicated that, for the time being, in order to quickly scale up activities in the event of political changes, UNDP would carry out comprehensive assessments and surveys in selected priority areas as had been approved by the Executive Board at its second regular session in September 2001. Those would enable better targeting of the poverty situation and improvement in food security. UNDP would also continue to participate actively in the United Nations plan of action for HIV/AIDS and in the proposed United Nations humanitarian assessment exercise. He further suggested that the issue of UNDP involvement in policy dialogue could be revisited at the first regular session of the Executive Board in January 2003 when the report of the assessment mission would be discussed.

62. The Board took note of the oral report on Assistance to Myanmar and stressed that its comments should be accounted for when reporting at the first regular session 2003.

VI. United Nations Development Fund for Women

63. The Associate Administrator of UNDP commended the excellent progress that the United Nations Development Fund for Women (UNIFEM) had made to date in implementing its Strategy and Business Plan 2000-2003 and its efforts to strengthen and expand its partnership with UNDP. He concurred with the recommendation of the Consultative Committee on the proposed human resources arrangements.

64. In presenting her report (DP/2002/30), the Executive Director recalled the mandate of UNIFEM, the five strategic objectives of its current Strategy and Business Plan, the three thematic areas based on the Beijing Platform for Action, the Millennium Development Goals (MDGs) and other recommendations of United Nations conferences.

65. She reported on the results achieved by UNIFEM during the biennium 2000-2002, highlighting the lessons learned and challenges ahead. She spoke of the increased collaboration with the United Nations system and UNDP in particular, the support to the common country assessment and United Nations Development Assistance Framework processes in over 30 countries and UNIFEM input into selected poverty reduction strategy paper processes. She also reported that joint UNDP/UNIFEM activities in 2001 were undertaken in 51 UNDP country offices, representing an increase over activities in 2000.

66. The Executive Director announced that the key challenges included excess demand for UNIFEM gender expertise over supply; more systematic analysis of the expertise needed to match the demand; and clarification of roles and responsibilities for gender-mainstreaming within United Nations organizations and at the country level.

67. The Executive Director concluded her presentation by reporting that UNIFEM regular (core) and other (non-core) resources had increased in 2001.

68. Delegations, including the chair of the Consultative Committee, commended UNIFEM for a well-prepared report and excellent presentations. They underscored the achievements so far in the implementation of the Strategy and Business Plan 2000-2003 and in mobilizing core and non-core resources; noted that the UNIFEM mandate remained relevant; and strongly commended the catalytic work of the Fund in promoting women's rights. Delegations further commended UNIFEM for its role in building women's leadership in situations of peacemaking and reconstruction, including in Afghanistan, in promoting gender-mainstreaming within the United Nations system and for conducting learning-oriented assessments over the past two years.

69. Many delegations called on UNIFEM to: (a) strengthen its efforts in areas such as HIV/AIDS, economic security and implementation of the Convention on the Elimination of All Forms of Discrimination against Women; (b) strengthen collaboration with UNDP and other entities such as the World Bank; (c) supply more information on how UNIFEM was tracking progress, what indicators were being used and how organizational priorities and strategies were being set; (d) provide information on lessons learned from learning-oriented assessments; and (e) reinforce UNIFEM partnerships with programme countries. UNIFEM was also requested to provide more information on its web site about its financial situation and its strategy for building the capacities of its national committees.

70. In her response, the Executive Director reiterated that the responsibility for gender-mainstreaming was located at the highest level in the United Nations system. While political will existed, there remained a strong need for accountability mechanisms and specialized gender expertise at the field level.

71. The Executive Director stressed that the MDGs provided an important framework for UNIFEM work. She also noted that progress towards gender equality and women's empowerment was critical for the achievement of all development goals. Monitoring and tracking gender equality would continue to constitute an important strategy for UNIFEM. She emphasized that the implementation of successful programmes depended on close collaboration with donor and programme countries.

72. On resources, the Executive Director stated that she would welcome an increase in core resources, which would enable UNIFEM to implement its programme with greater flexibility. Regarding information and communication technologies, she advised that such technology could be effectively used for the creation of knowledge communities to respond to the increasing demand for gender expertise by United Nations country teams.

73. In providing a preview of the next UNIFEM strategy and business plan, the Executive Director reported that UNIFEM was in the process of initiating stakeholder consultations, adding that the MDGs would constitute an important reference for the new plan. She stressed that programming would promote stronger inter-linkages among UNIFEM thematic areas. The plan would also adopt a conceptual framework linking elements from development and empowerment and other frameworks addressing women's security, rights and the rule of law.

74. The Deputy Director (programmes) reported that the implementation of the Strategy and Business Plan 2000-2003 had arrived at mid-point, presenting an opportunity for drawing lessons and revising the existing results framework. She observed that UNIFEM had conducted a number of assessments at the thematic and process levels, the results of which would be useful in the formulation of the next strategy and business plan. She also informed the Executive Board that UNIFEM was implementing a strategy to strengthen the capacities of committees, transforming them into vibrant constituencies for the Fund.

75. The Executive Board adopted decision 2002/20 (see annex I).

VII. UNOPS: Financial, budgetary and administrative matters

76. The Executive Director, United Nations Office for Project Services (UNOPS), introduced the report on the implementation of the revised budget for 2002, revised budget estimates for the biennium 2002-2003, and report on the level of the operational reserve (DP/2002/33); the statistical annex (DP/2002/33/Add.1); report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the revised budget estimates for the biennium 2002-2003 (DP/2002/34); report of the Executive Director on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2002/35); the action plan on savings from projected staff cuts (DP/2002/35/Add.1); contingency plan with regard to the operational reserve (DP/2002/35/Add.2); and the terms of reference for an independent review of the business model of the United Nations Office for Project Services (DP/2002/36).

77. He paid tribute to the staff of UNOPS and to colleagues in human resources management for exceptional efforts at a difficult time to help displaced staff. He then provided an update on existing income and expenditure levels, noting that project delivery was slightly ahead of target. He warned, however, that unforeseen increases in staff costs could lead to overexpenditure of around $800 000, which could be offset by possible savings under other budget items and income from the implementation of new business with United Nations organizations, including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), the United Nations Children's Fund (UNICEF) and the United Nations Human Settlement Programme (HABITAT).

78. The Executive Director announced that UNOPS had been shortlisted as a local fund agent candidate by the new Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria and its trustee, the World Bank. The services of a local fund agent would be similar to those provided to the International Fund for Agricultural Development.

79. The Chairman of the Management Coordination Committee (MCC) commented on the steps that had been taken to improve the financial situation of UNOPS, the challenges ahead and the new business opportunities with United Nations organizations. He concurred that the staff of UNOPS had done a commendable job under difficult circumstances. He reported that the MCC believed that there should be no further staff cuts in order to ensure the stability of UNOPS.

80. Delegations welcomed the steps that had been taken to improve the financial position of UNOPS and to create new business opportunities with the United Nations organizations referred to above. Other delegations, however, expressed concern at the current financial situation and stressed the importance of cost recovery.

81. Many delegations supported the reaffirmation by the Secretary-General (DP/2002/CRP.5) of UNOPS as a separate, identifiable, self-financing entity within the United Nations system, and encouraged United Nations organizations to make full use of the services provided by UNOPS on a competitive and cost-effective basis. Two delegations suggested that the Board consider expanding the clientele of UNOPS beyond agencies of the United Nations system, while one delegation considered that the current United Nations market was adequate.

82. The proposed independent review of the business model of UNOPS was discussed at some length, including issues of timing to avoid the creation of additional disruptions or uncertainty. The Executive Board ultimately decided to organize a review of the UNOPS business model, its cost effectiveness and the scope for further expansion of business opportunities within the United Nations system. The Board also adopted decision 2002/22 (see annex I) to review the status of voluntary contributions towards the budget and the timing of the independent review at its first regular session in January 2003.

83. Several delegations requested clarification on the apparent discrepancies between the Note of the Management Coordination Committee of UNOPS (DP/2002/CRP.15) and the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the revised budget estimates for the biennium 2002-2003 (DP/2002/34).

84. The Chairman of the MCC stated that the Note of the Management Coordination Committee of UNOPS (DP/2002/CRP.15) had been cleared and agreed to by members of the MCC. He also stated that document DP/2002/CRP.15 was prepared in order to correct some of the facts and background presented to the

ACABQ by the Executive Director on which some of the conclusions of the ACABQ were based.

85. The representatives of UNICEF and UNESCO spoke of their new collaborative arrangements with UNOPS based on respective comparative advantages and mandates.

86. In his response, the Chairman of the MCC observed that the budget figures before the Executive Board were the latest estimates prepared by UNOPS and reflected agreement between the MCC and the Executive Director of UNOPS.

87. The Executive Director reiterated that reviews of the organizational structure of UNOPS had been high on the agenda, including the one undertaken by the United Nations Office of Internal Oversight Services. He called for the resumption of the reform of the UNOPS organizational structure, which the MCC had suspended in February 2002.

88. The Executive Board adopted decision 2002/21 (see annex I) and approved the revised budget estimates for the biennium 2002-2003, as recommended by the ACABQ, as well as the contingency plan.

Joint UNDP/UNFPA segment

VIII. Reports on field visits

Report on the field visit to Viet Nam

89. The rapporteur introduced the report on the field visit to Viet Nam (DP/2002/CRP.7). He thanked the Government of Viet Nam, the UNDP and UNFPA country offices and the Executive Board Secretariat for the excellent arrangements. He paid special tribute to the President of the Executive Board of UNDP/UNFPA for his outstanding and impressive leadership during the mission.

90. He reported that the joint visit of members of the Executive Boards of UNDP/UNFPA and the United Nations Children's Fund (UNICEF) had demonstrated that the United Nations should be seen as one entity. The visit provided an opportunity to assess and understand the effects of decisions taken by the Boards at the country level. He focused on issues in the report related to United Nations operational activities in Viet Nam.

91. He observed that Executive Board members gained valuable insight into the issue of coordination, specifically harmonization and simplification of procedures, which, if implemented, could lead to improvements in efficiency, effectiveness and coherence.

92. He stated that Viet Nam was one of the first countries to produce a national Millennium Development Goal (MDG) report, which had been closely linked with the poverty reduction strategy papers (PRSP) and the United Nations Development Assistance Framework (UNDAF). Those nationally owned instruments facilitated coordination and helped to define common priorities for United Nations organizations, Bretton Woods institutions and bilateral donors in Viet Nam. He reported that the World Bank appreciated the upstream activities of UNDP within the context of the new grantization regime of international development assistance (IDA), adding that the World Bank, providing its own assistance, had replicated

successful UNDP pilot projects on a larger scale. He further noted that the International Monetary Fund (IMF) had shifted its role, prioritizing greater involvement in developing countries. The IMF shift, in tandem with the presence of a massive private sector in the Vietnamese economy, had prompted a World Bank move towards traditional United Nations activities. Accordingly, the United Nations country team and the World Bank needed to forge a new partnership in support of country-led donor efforts. UNDP, as coordinator of the United Nations system, also had a critical role to play in supporting national capacity-building efforts.

93. The rapporteur underscored the gap between the work of the Executive Board and UNDP/UNFPA activities at the country level. The Board was perceived in the field as distant and remote, with limited impact on the ground. The gap could be bridged by giving high priority to country-level experience in the agenda of the Board.

94. Many delegations, including participants in the field visit, complemented and emphasized the comprehensive introductory statement by the rapporteur, noting in particular that the joint visit had been very fruitful, contributing to a greater understanding of developments and challenges in Viet Nam. They stressed: (a) the importance of a more systematic approach in the working methods and overall relationship among organizations of the United Nations system, on the one hand, and with international financial institutions (IFIs), on the other hand; (b) the need to make UNDAF a more effective instrument in the coordination and harmonization of United Nations activities at the country level; (c) the link between upstream and downstream activities; and (d) the necessity to improve the financial flexibility of the resident coordinator. They also underscored the importance of national ownership of United Nations-supported programmes and a careful selection of countries for joint field visits in order to maximize the benefits.

95. Some delegations emphasized the need to pay more attention to: (a) gender issues in future visits; (b) the promotion of reproductive health and HIV/AIDS activities; and (c) the design of subregional resource facility (SURF) arrangements so that skill endowments reflected the changing demand and country offices did not bear the full cost of their services. Also stressed was the importance of closing the gap between Executive Board decisions and activities at the country level and improving the relationship between UNDP/UNFPA staff at headquarters and in programme country offices.

96. In response, the Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, concurred that better harmonization and coordination within the country teams and better collaboration between the IFIs and the United Nations system were essential, even though Viet Nam was regarded as a model country in collaboration matters. He also agreed that there was a need to ensure a close link between upstream and downstream instruments in programming work to ensure synergy between the two.

97. With regard to country ownership, the Assistant Administrator observed that Viet Nam had exhibited strong ownership of the programming process and a deep commitment to poverty reduction. He noted that future work of UNDP on the MDGs would be country driven with a clear sense of ownership by the people of Viet Nam.

98. The Assistant Administrator noted that there were concerns about the value of the UNDAF being overshadowed by the PRSP. The preparation of the second

UNDAF was designed to overcome that shortcoming and render the UNDAF a more effective tool in coordination and harmonization of United Nations activities. The UNDAF, therefore, remained an indispensable tool. The issue was one of ensuring better implementation, coordination and joint programming. To realize that goal, thematic and implementation groups had been established in Viet Nam.

99. He emphasized that gender issues were taken seriously in the region, noting that the demographic transition in Asia would create conditions for the empowerment of women.

100. The use of the SURFs was a vital part of the reform process within UNDP and the two SURFs in the region were doing very well. He reported that country offices covered expenses such as the daily subsistence allowances (DSA). The balance of costs, such as salaries, came from global and regional resources. Staff in the SURFs were hired for two to three years; their supply reflected the changing demand in skills.

101. The Director, Asia and the Pacific Division, UNFPA, thanked the Executive Board for the useful recommendations contained in the report on the field visit. He stated that UNFPA had taken note of the comment made by one delegation regarding strengthening coordination in the field. He noted that one of the purposes of the Fund's transition process was to strengthen further the relationship between headquarters and the field. He observed that the UNFPA-supported country programme in Viet Nam was gaining momentum. Its main purpose was to increase reproductive health services for the people of Viet Nam and to contribute to raising their standard of living. He thanked the donors that had provided support for the programme. He concurred with the observation that country experience should be high on the agenda of the Board. He noted that any reform process should be measured in terms of its impact at the country level. He concluded by thanking the Government of Viet Nam for hosting the field visit undertaken by members of the Board.

102. The representative of Viet Nam thanked the Executive Board for the first-ever joint mission, which offered members the opportunity to witness the achievements of fruitful cooperation between the United Nations and Viet Nam. He stressed that the United Nations enjoyed trust and respect in the country. He paid special tribute to the Government of the Netherlands for the additional support to the activities of UNFPA in Viet Nam.

103. The President of the Executive Board, who led the mission, reported that the exercise had been extremely useful. He thanked the members of the mission and the UNDP/UNFPA country teams for making the visit pleasant and useful. He expressed gratitude to the Government and people of Viet Nam for the excellent preparatory work and the open and frank discussions that took place.

104. The President focused his remarks on four critical areas for future consideration by the Executive Board. First, he stressed that coordination and coherence within the United Nations system, including funds and programmes, and between the United Nations system, IFIs and regional banks was vital for combining the power of ideas and finances. Second, he underscored the importance of country ownership of all programmes and activities supported by the United Nations system. Third, he emphasized and regretted the distance between the Board and programme countries. He advised that bridging the gap would require the Board to accord high

priority in its agenda to country-level experiences. In his fourth point, the President stressed the importance of the financial flexibility of resident coordinators to respond to urgent requests, the capacity of human resource management in upstream policy advisory services for the new UNDP, and the link between upstream and downstream activities to enhance the effectiveness of UNDP in programme countries.

105. The Executive Board adopted decision 2002/23 (see annex I).

UNFPA segment

IX. Financial, budgetary and administrative matters
X. Human resources strategy

106. The Executive Director updated the Executive Board on a number of important developments since the Board's annual session in June. First, she thanked the Executive Board for the strong support it had expressed for UNFPA and its programme at the annual session and for the corresponding decision (2002/5) that the Board had adopted on crucial issues concerning the Fund's work and its funding. She thanked the donors that had provided additional contributions and those that had made early payments of pledges. On the issue of resources, she underscored the need for strong political and financial support for UNFPA, as well as increased, stable and predictable core funding for the Fund to carry out its mandate effectively. She noted that decision 2002/5 encouraged all countries, in the spirit of the Monterrey Consensus, to further their support for UNFPA, in particular through increased funding to the Fund's core resources. She stressed that it was core resources, and their associated neutrality and universality, that enabled UNFPA to carry out its mandate as a trusted and valued partner and to exert influence far beyond the modest resources it provided.

107. She stated that the Fund's resource base was precariously low. Current core income for 2002 was $242 million, a 10 per cent decrease compared to 2001. Total resources – core and non-core – were currently at $317 million, or 20 per cent less than the total in the previous year. The grave financial situation would have serious consequences for the UNFPA programme. For example, early reports from UNFPA country offices indicated that in a number of countries plans to purchase medical equipment were being halted; family planning programmes were being suspended; initiatives to halt the spread of HIV/AIDS were being curtailed; and sexual education and family life skills courses were being cut.

108. The Executive Director was very grateful to the European Union for its strong support – as reflected in the resolution of 30 May of the Council of Ministers of Development Cooperation, reaffirming support for UNFPA and underlining the importance attached to the Fund's activities; and in the European Commission's announcement on 24 July of a pledge of 32 million euros for a joint project to provide 10 countries in Africa, the Caribbean and the Pacific with family planning services and advice on population and health issues. Of the total amount, UNFPA expected to receive approximately 20 million euros in non-core resources for the three-and-a-half-year project. She also thanked the members of the Group of 77 and China and of the Africa regional group for their unqualified support. She called attention to a spontaneous, grass-roots initiative – the "$34 Million Friends"

campaign – that was taking place across America urging individuals to contribute $1 or more to UNFPA. She noted that letters had been pouring into UNFPA and a total of $50,000 had been received to date. She observed that the spontaneous outpouring of support was gratifying and it underscored how deeply people cared about the issues and ideals that UNFPA supported and stood for.

109. Concerning the Fund's transition process, she noted that it was now in its final stages. At the centre of the transition process was the field needs assessment study that the Fund had conducted in July 2001. She reported that UNFPA had taken action on more than 75 per cent of the 208 recommendations that could be implemented. The remaining recommendations would be addressed in the coming year. The next three months of the transition process would be busy ones as UNFPA expanded research, training and knowledge sharing in poverty reduction strategy papers (PRSPs) and sector-wide approaches (SWAps); launched the Fund's new logo and corporate identity in December to ensure the uniform branding of UNFPA the world over; developed the tools, guidelines and procedures needed to implement the new human resources strategy, including competency and career-planning frameworks and new performance appraisal systems; and designed a comprehensive training programme to familiarize all staff with changes in policies, procedures and systems resulting from the transition process. Underpinning all of those activities would be a strong commitment to promoting a culture of knowledge sharing and communication, which itself was a major goal of the transition.

110. The Executive Director stated that the implementation of the Fund's new strategic direction was a crucial aspect of the transition process. It was driven by the need to position the Programme of Action of the International Conference on Population and Development (ICPD) and ICPD+5 key actions firmly within the context of the most pressing global concerns expressed in the Millennium Development Goals (MDGs): eradicating poverty; reducing maternal mortality and morbidity; promoting gender equality and equity; stopping the spread of HIV/AIDS; and improving environmental protection. The transition process provided an ideal opportunity for UNFPA to demonstrate how its programmes contributed to those goals. It was also an invaluable tool to mobilize UNFPA staff to position the Fund's country programmes at the centre of poverty-reduction efforts and the global consensus on MDGs. She added that the new typology of country offices would strengthen the capacity of UNFPA country offices and help bring about a renewed, focused and more effective field presence.

111. Regarding the important issue of culture and development, she noted that UNFPA had explored the area to identify a specific niche. UNFPA had a rich experience in projects that were designed taking into consideration the cultural context, albeit such projects were not systematically introduced or conceptually consolidated. The Fund was embarking on a regional programme in Africa on culture and reproductive health. UNFPA had also developed a project proposal for mainstreaming culture in UNFPA programmes. The Fund was undertaking an in-depth review of selected field projects that had utilized the "culture lens" specifically in the area of HIV/AIDS and gender. Also, it would review the rich material produced by Al-Azhar University on Islam and population and reproductive health issues. The review would contribute to the formulation of a proposal to make such knowledge simplified and accessible for advocacy in the various Islamic contexts.

112. Concerning PRSPs and SWAps, she noted that UNFPA was committed to becoming an effective partner in SWAps and PRSPs. However, those processes required technical knowledge and expertise that were, in some ways, different from those traditionally employed by UNFPA. The Fund was convinced that the key to its effective participation in SWAps and PRSPs was training and hands-on experience. UNFPA had therefore developed a proposal to be sent to interested donors for a special two-year project aimed at dramatically increasing the Fund's capacity to participate in SWAps and PRSPs.

113. With reference to the MDGs, the Executive Director informed the Executive Board that UNFPA was playing an active role at global and country levels in supporting national efforts to achieve the targets of the MDGs. UNFPA fully recognized that progressing towards the MDGs was critically dependent on, among other things, making progress towards the ICPD goal of achieving universal access to reproductive health services. She noted that at the global level, UNFPA co-chaired the United Nations Development Group (UNDG) Working Group on the MDGs and participated actively in support of the Millennium Project. At the country level, in addition to ensuring that national analyses and reports included access to reproductive health services as an indicator, UNFPA was mainstreaming relevant MDG targets in all of its country programming processes. The Fund was also encouraging the inclusion of MDG indicators in PRSPs so as to help ensure an appropriate focus on population, reproductive health and gender issues in national poverty reduction strategies. The Executive Director noted that the Fund was particularly gratified that the Executive Board had recognized, in decision 2002/5, the crucial role UNFPA played in helping countries to achieve the MDGs and to eradicate poverty.

114. Regarding the recently concluded World Summit for Sustainable Development (WSSD), in which UNFPA had participated actively, she noted that the WSSD outcome documents had brought poverty more centrally into the global sustainable development agenda. That, of course, was consistent with the new directions UNFPA was taking in its programmatic support to countries. UNFPA would actively and strategically engage in WSSD follow-up events in support of the Plan of Implementation. UNFPA also planned to take advantage of the numerous opportunities emanating from the Plan of Implementation to collaborate with a wide range of development partners in the areas of its mandate. An important objective of the collaboration would be to reinforce the critical role of population dynamics and reproductive health issues in sustainable development, including in the eradication of poverty.

115. Concerning the approaching tenth anniversary of ICPD, she noted the need to reflect on the progress that had been made in achieving the goals and objectives set out in the Programme of Action. Most importantly, a review of progress needed to take place at the national level so as to help accelerate further implementation of the Programme of Action. She added that consultations were to take place at the regional level, to exchange experiences and derive lessons learned for each region. She observed that the need was not for another "conference event", but for a collective and considered review by all countries of the status of implementation of the ICPD Programme of Action and for giving some prominence to population and development issues on the global development agenda. UNFPA was actively seeking support for the modest, albeit important, events being planned to mark the tenth anniversary of ICPD.

116. The Executive Director concluded by expressing sincere and deep appreciation for the support of the Executive Board. She underscored that UNFPA rested solidly on the bedrock of internationally accepted standards of human rights, and all of the Fund's programmes, which were nationally owned, conformed to those standards.

117. Following the Executive Director's statement, the delegation of the United States took the floor to explain the decision regarding funding UNFPA. While noting that the United States had long been an active supporter of UNFPA, the delegation stated that it had determined in July that it could not fund UNFPA in 2002 because of its China programme. The programme had triggered the Kemp-Kasten Amendment that specified that no United States government funds be used in a programme that "supports or participates in the management of a programme of coercive abortion or involuntary sterilization". The delegation urged reforms of the Fund's China programme. Such reforms could include building a "firewall" between UNFPA and the Government of China; expanding the Fund's use of independent international non-governmental organizations (NGOs); and instituting a monitoring regime to ensure that the programme did not support or participate in the management of a programme of coercive abortion.

118. The delegation added that at the ICPD China had agreed to an important principle: the right of women to choose the number of their children. Therefore, China should respect the right of Chinese women to choose -- voluntarily and without coercion – the number of their children. The delegation added that social compensation fees must be eliminated, along with other coercive practices, and China's state birth planning programme should use only voluntary means. The delegation stated that the United States would work with UNFPA and the Chinese Government to develop a programme that followed those important principles. The delegation hoped that the reforms could be achieved quickly so that the United States could once again fund UNFPA. The delegation noted that having supported UNFPA from its inception, the United States wanted to be able to fund UNFPA again and to continue to work with the Fund's leadership in supporting programme goals.

119. The delegation of China noted that for over 20 years its country had had fruitful cooperation with UNFPA that had produced encouraging results. Since ICPD, the cooperation had entered a new phase, focused mainly on providing reproductive health services to population groups, particularly women, in dire need of those services in a selected number of poor areas in China. Project activities focused on the provision of information and advice and people-oriented, client-centred quality services to enable clients to make voluntary and informed choices on family planning methods The delegation pointed out that UNFPA assistance was limited in monetary terms, amounting to $3.5 million annually. China's inputs in the project counties were about three to nine times those of UNFPA. Nevertheless, in spite of limited funding, UNFPA had produced a positive impact. The delegation stated that in the project areas the percentage of women choosing their own contraceptive methods had risen from 53 per cent (at the start of the project) to the current 83 per cent; maternal mortality had fallen from 66 per 100,000 live births to 62; infant mortality had dropped to 21 per 1,000 live births; the percentage of deliveries attended by trained and skilled midwives had reached 96 per cent; and the abortion rate had been reduced to 11 per cent.

120. The delegation stated that China's country programme had been considered and approved by the Executive Board. The programme was consistent with ICPD principles and was characterized by openness and transparency. Also, it had been under close monitoring and supervision. The delegation noted that during the last three years China had received 160 monitoring field missions and inspections, including missions composed of Executive Board members, United States government representatives, and parliamentarians from the United Kingdom. The delegation observed that it would have been expected that the openness of the Chinese Government would be appreciated. Instead, from some quarters, politically motivated allegations of coercive activities had been heard. The delegation underscored that all the above-mentioned missions, including from the United States, had come to the same conclusion, i.e., that the allegations were baseless. The delegation quoted from the conclusion of the recent assessment mission led by Ambassador William Brown of the United States: "We find no evidence that UNFPA has knowingly supported or participated in the management of a programme of coercive abortion or involuntary sterilization in the People's Republic of China".

121. Numerous delegations thanked the Executive Director for her eloquent and insightful statement. Delegations expressed grave concern about the Fund's financial situation. Numerous delegations registered their confidence in UNFPA and underscored the Fund's crucial role in global efforts to reduce poverty and achieve the MDGs. Several delegations welcomed the Fund's embracing the MDGs and stated that they attached great importance to the Fund's global programme that was based on the ICPD Programme of Action, ICPD+5 and the MDGs. Numerous delegations underscored the importance of the Fund's human rights focus and urged UNFPA to remain robust in defending reproductive rights. Several delegations welcomed the Fund's readiness to contribute to PRSPs and SWAps. A number of delegations noted that UNFPA played a key role in the area of population and deserved the moral and financial support of all countries. One delegation, speaking on behalf of the Africa regional group, stated that UNFPA was the most important agency helping African countries. One delegation commended UNFPA for its courageous response to attacks, and stated that during the General Assembly its Deputy Prime Minister and Minister for Foreign Affairs and External Trade had underscored her country's firm support for UNFPA, emphasizing that international action for reproductive health was indispensable.

122. Several delegations expressed deep concern about the United States withholding its contribution to UNFPA. They called on the United States to reconsider its decision and restore funding. Delegations stated that withholding the contribution would, inter alia, impact HIV/AIDS prevention and poverty reduction programmes, and would have a devastating effect on women and children in developing countries around the world. Delegations called on all countries to rededicate themselves to the spirit of the Monterrey Consensus, ensuring that tangible benefits reached people at the grass-roots level. At the same time, several delegations urged UNFPA to broaden its donor base to ensure financial stability. A number of delegations underscored the importance of burden sharing amongst donors. Several delegations thanked the countries that had provided additional and/or increased contributions to UNFPA and urged other donors to follow suit.

123. While commending UNFPA for utilizing the findings of the field needs assessment study, numerous delegations stated that they supported the new typology for country offices and the strengthened focus on the field. Several delegations

noted their support for the Fund's focus on least developed countries and combating HIV/AIDS. A number of delegations welcomed the focus on the cultural context of population and reproductive health issues. Underlining the linkage of such issues to ethical values, delegations stated that it was important to examine the relations of various religions. Emphasizing their support for the Fund's holistic approach to reproductive health, delegations pointed out that UNFPA was doing pioneering work in the area of culture that would serve as an example to other organizations.

124. Several delegations expressed appreciation for the UNFPA-supported programmes in their respective countries. One delegation stated that there should be an increased focus on national capacity building. Drawing attention to the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, one delegation noted that much remained to be done and hoped that steady progress would be made during the decade. Underscoring the important role of women in development, particularly with regard to reproductive health issues, the delegation regretted that in some cultures women suffered because of gender inequities.

125. A number of delegations welcomed the "34 Million Friends" grass-roots campaign. Some delegations suggested that the campaign be extended to other developed countries, and possibly be made a worldwide campaign, tapping both individuals and the private sector.

126. The Executive Director thanked the delegations for their comments and strong support. She reassured the Executive Board that UNFPA would remain robust and resolved in ensuring that reproductive health stayed high on the global agenda. She stated in clear and unequivocal terms that UNFPA did not support or participate in the management of any programme of coercive abortion or involuntary sterilization. She emphasized that all UNFPA programmes were designed and implemented within a human rights framework. She welcomed the dialogue between the United States and China and stated that UNFPA stood ready to support China in developing the programme, upon their request, after their consultation with the United States. She hoped that the United States would once again rejoin as a supporter of UNFPA.

127. She expressed her deep appreciation to all donors who had announced additional and/or increased contributions. She also thanked donors for their guidance and for the media visibility that some had recently given to the work of UNFPA. She thanked the delegation that had mentioned expressing support for UNFPA in the General Assembly. She also thanked the same delegation for providing funding for Afghanistan that had been utilized, together with contributions from other countries, to procure a 72-bed emergency mobile hospital and to rehabilitate the Khair Khana Maternity Hospital. She assured the Executive Board that the Fund was committed to expanding its donor base: the target set for 2002 was 125 countries. She noted that UNFPA had signed an agreement with The OPEC Fund for International Development.

128. Referring to the New Partnership for Africa's Development (NEPAD), the Executive Director noted that a great deal could be achieved through the initiative. She also called attention to the positive review of the Fund's work in Africa contained in the "Independent evaluation of the implementation of the United Nations New Agenda for the Development of Africa", submitted earlier to the General Assembly. Regarding the "34 Million Friends" campaign, she took note of the suggestions made by delegations. She clarified that the campaign was not initiated by UNFPA, instead it had been independently started by two American

women, Jane Roberts and Lois Abraham. She noted that some European NGOs had begun to participate in the campaign. She hoped that it would become a worldwide effort. She concluded by thanking the Executive Board for its support and the confidence it placed in UNFPA.

129. Agenda items 9 and 10 were taken up together by the Executive Board. The Executive Director introduced the documents before the Board, under the two items: Revised estimates for the biennial support budget for 2002-2003 (DP/FPA/2002/9); Report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA revised estimates for the biennial support budget for 2002-2003 (DP/FPA/2002/10); Annual financial review, 2001 (DP/FPA/2002/12); and UNFPA human resources strategy (DP/FPA/2002/11). The Executive Director stated that the revised biennial support budget reflected the results of the Field Needs Assessment study and the validation of the headquarters realignment. She underscored that strategically the revised budget was at the core of the transition process UNFPA had embarked on last year. She highlighted the major features of the proposals before the Board: the implementation of a new country office typology; the establishment of three country offices and the abolishment of two existing ones; a comprehensive human resource strategy; further structural realignment of headquarters; additional investments for improved country offices connectivity; and an overall reduction in core posts from 1,020 to 972. She noted that there were two extra-budgetary requirements contained in document DP/FPA/2002/9, namely, the implementation of the Enterprise Resource Planning (ERP) project in conjunction with UNDP; and a provision for staff early termination resulting from the re-profiling of country offices.

130. The Executive Director observed that the revised biennial support budget included elements of the implementation of a human resources development strategy. She stated that the revised budget proposal before the Executive Board was $13.1 million lower than the one approved by the Board last year. With further cost containment measures in place, the Fund's gross appropriation would be reduced to $147.8 million, i.e., $20.5 million or 12.2 per cent lower than the appropriation of $168.3 million approved by the Board in 2001. The Executive Director stated that UNFPA would not receive in 2002 the contribution of one of its major donors. She underscored that that would severely affect the programmes in countries being assisted by UNFPA. She noted that the income scenario would be of $492 million for the biennium, if the gap in regular income was not bridged by other donors. The Executive Director updated the Executive Board on the meeting with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and noted that there had been a constructive dialogue. With reference to the reclassification issue raised by ACABQ, she pointed out that the reclassification review performed by UNFPA was the first organization-wide review in 14 years and, inter alia, aimed to match the organizational structure with programme goals.

131. The Director, Division for Management Services (DMS) made a power point presentation on the revised biennial support budget for 2002-2003, focusing on: the revised budget and the contingency plan; country office typology, including the impact on costs and posts; income, including the impact of reductions and the actions required; analysis of the biennial support budget cost structure and ratio; determining factors for biennial support budget requirements and effects of income volatility; and ACABQ matters.

132. During the ensuing discussion numerous delegations expressed appreciation for the excellent introductions. While expressing concern about the Fund's grave financial situation, several delegations hoped that the situation would improve in the near future. Several delegations thanked the donor countries that had announced increased contributions to UNFPA and urged other donors to follow suit. Numerous delegations underscored the key role of UNFPA in achieving the goals of the Programme of Action of the International Conference on Population and Development (ICPD), ICPD+5, and the Millennium Development Goals (MDGs).

133. One delegation reminded the Executive Board of the resolution adopted by the European Union Development Cooperation Ministers in May 2002 underlining, inter alia, the importance attached to UNFPA activities and emphasizing that UNFPA deserved strong support to pursue its activities, thereby contributing to reaching the MDGs. The Ministers had invited all donor countries to pursue their support to UNFPA and welcomed the Commission's intention to strengthen its cooperation with the Fund. A number of delegations appreciated the reference to the European Union Development Cooperation Ministers' support for UNFPA.

134. Several delegations endorsed the revised biennial support budget including the contingency plan. One delegation expressed concern regarding the 30 per cent ratio of the gross biennial support budget to income and urged the Fund to make it as low as possible. One delegation stated that it hoped that the contingency plan would not need to be implemented, nevertheless, it endorsed up to 30 per cent of the budget for support costs. One delegation stated that in the future a budget document with a better structure and a shorter executive summary would be appreciated. The delegation asked for a clarification regarding the reference to encouraging signs of emerging strong financial support in paragraph 113 of document DP/FPA/2002/9. The delegation underscored the importance of widening and broadening the Fund's donor base and emphasized that burden sharing amongst donors must become a reality. The delegation questioned the adjustment in the country office vacancy rate from 2 per cent to 10 per cent and wondered if the Fund could continue to operate with the higher vacancy rate. The delegation stressed that the implementation of the MDGs went hand-in-hand with the implementation of the ICPD Programme of Action and was everybody's concern.

135. One delegation, referring to the zero closing balance in the table on page 12, inquired about its accuracy and asked if there had been a carryover to the next budget and, if not, how had the funds been utilized. One delegation expressed concern that activities funded through other resources were being subsidized by regular resources. The delegation urged UNFPA to ensure proper cost recovery in such cases. One delegation noted that in the future it would be useful to have information on expenditure data by country and by region for previous budgetary cycles.

136. Numerous delegations commended the Fund's human resources strategy and, in particular, the new country office typology and the focus on strengthening country offices. One delegation offered the following suggestions: the strategy should include indicators and benchmarks; the timeline should be extended beyond the current year and the document should be revisited and revised over time to meet organizational needs; an action plan with specific targets and benchmarks should be prepared; and the strategy should incorporate a section on specific training needs of staff. One delegation urged UNFPA to focus greater attention on strengthening the

country offices. The delegation added that more use should be made of local staff and in case international staff were hired it should be in consultation with the national Government. One delegation expressed concern that under the proposed country office typology the post of UNFPA Representative would be abolished from its country. The delegation requested clarification on how the country office would function in the short-, medium-, and long-term without a UNFPA Representative.

137. One delegation stated that the human resources strategy must receive the full support of management and should translate into concrete actions. The delegation added that having achieved a sound balance of men and women in its staff, UNFPA should also ensure that there were opportunities for career development and advancement. The delegation requested further information on the UNFPA recruitment process and asked for the Fund's views on the UNDP recruitment of resident coordinators. Several delegations encouraged UNFPA to stay focused on its transition process and endorsed the proposed reclassification and the establishment of three new country offices. A number of delegations noted that the reclassification was an indispensable part of a package of measures proposed by the Fund. One delegation requested a clarification on the ACABQ comment (in document DP/FPA/2002/10) that a massive reclassification was not justified.

138. In her response the Executive Director thanked the delegations for their strong support and for endorsing the various components of the transition process, including the reclassification and the human resources strategy with its focus on the country office typology and competency framework. She conveyed special thanks to Canada and the United Kingdom for their additional contributions. Regarding the query about encouraging signs of emerging financial support, she pointed out that the Fund's tone of optimism resulted from the increased contributions received from five countries and the expectation that at year-end additional resources might be forthcoming. She noted that UNFPA had set a target of 125 donors in 2002. There were already 106 donors and additional donors were expected in the following month. She called on developing countries to make contributions to UNFPA even if they were only symbolic. Concerning the format of the budget document, she noted that the biennial support budget was presented in a format harmonized with sister organizations. She agreed that the executive summary was too long and assured the Executive Board that next year a shorter summary would be provided. She also agreed that next time expenditure data on the previous budgetary cycle would be provided for purposes of comparison. With reference to the inquiry about the 10 per cent vacancy rate, she stated that as a result of UNFPA improving its tracking of vacancies 10 per cent was seen to better reflect reality. Moreover, she declared, that such a rate would not hamper the functioning of the organization. Regarding the question raised by one delegation about the abolishment of the post of UNFPA Representative from its country, the Executive Director clarified that the Director of the Country Technical Services Team (CST) in that country would act in both capacities, i.e., as Director, CST, and as UNFPA Representative. She assured the Board that in countries where no UNFPA Representative was present the Fund would continue to work utilizing its national staff and also working through the UNDP office.

139. Concerning the reference to the ACABQ comment on the reclassification, the Executive Director noted that UNFPA had had a constructive discussion with ACABQ. She added that UNFPA had not had an organization-wide job reclassification exercise since 1988 and the exercise was needed to accurately reflect

the functions being carried out by staff. With reference to the competency framework, the Executive Director noted that UNFPA had identified three types of competencies: generic, managerial and functional. The competencies would differ at different job levels. At the same time, they would allow for movement between UNFPA and other organizations. She added that competencies were being utilized in the CST selection process. She observed that UNFPA had learned from the UNDP Resident Coordinator recruitment system and was applying the lessons as appropriate. Regarding the comment on strengthening country offices, she confirmed that UNFPA was giving high priority to supporting and strengthening country offices. She noted that UNFPA remained vigilant regarding cost-recovery matters. She clarified that project posts were funded by other resources. She observed that the Fund invariably consulted the national government regarding international appointments in a given country. The Executive Director observed that the details of the human resources strategy were being developed and would certainly include indicators, benchmarks and targets. She concurred that the strategy would need to be revisited and revised over time to meet emerging needs. In conclusion, she thanked the Executive Board for its unwavering support to UNFPA during difficult and challenging times.

140. The Executive Board adopted decision 2002/24 (see document DP/2003/2), UNFPA: Revised estimates for the biennial support budget for 2002-2003.

XI. Country programmes and related matters

Africa region

141. The Director, Africa Division, introduced the following country programme outlines (CPOs): Botswana (DP/FPA/CPO/BWA/4); Burundi (DP/FPA/CPO/BDI/5); Comoros (DP/FPA/CPO/COM/4); and Guinea-Bissau (DP/FPA/CPO/GNB/4).

142. One delegation, while commenting on the Burundi and Botswana CPOs, was pleased to note that UNFPA would be providing support to the two countries where the HIV/AIDS epidemic threatened so many lives. Regarding the Burundi CPO, the delegation appreciated the focus on fewer expected outputs in view of the small size of the programme; the importance accorded to supporting data collection and use; and the focus on advocacy activities, including work with journalists and parliamentarians. With reference to the Botswana CPO, the delegation welcomed the programme focus on areas where UNFPA had a comparative advantage. The delegation stated that the output indicators appeared highly ambitious and some included outcomes or impact measures (for example, 10 per cent reduction per annum of violence against women and girls). While underscoring that the programme focus on HIV/AIDS prevention was vital in a country where nearly 40 per cent of sexually active adults were HIV-positive, the delegation hoped that some of the indicators would focus principally on HIV/AIDS. The same delegation also asked whether UNFPA had conducted any evaluation of its advocacy training activities, and, if so, with what results.

143. The Director, Africa Division, thanked the delegation for its comments and support. Concerning the Botswana country programme, she noted that the Government had accorded high priority to reducing violence against women and children. She underscored the importance of supporting the country. As regards the evaluation of advocacy activities, she observed that UNFPA was working on the

final evaluation of the previous country programme that had included such training and she would provide additional information at a later date. She also noted that indicators specifically on HIV/AIDS would be used for some of the component projects under the new country programme.

144. The Executive Board took note of the following CPOs and the comments made thereon: Botswana (DP/FPA/CPO/BWA/4); Burundi (DP/FPA/CPO/BDI/5); Comoros (DP/FPA/CPO/COM/4); and Guinea-Bissau (DP/FPA/CPO/GNB/4).

Asia and the Pacific region

145. The Director, Asia and the Pacific Division (APD), introduced the following country programme outlines: China (DP/FPA/CPO/CHN/5); East Timor (DP/FPA/CPO/ETM/1); Maldives (DP/FPA/CPO/MDV/3); and the South Pacific sub-region (DP/FPA/CPO/PIC/3).

146. The delegation of China thanked the Director, APD, for his introduction and stated that it supported all nine country programme outlines before the Executive Board.

147. Referring to the cooperation between China and UNFPA, the delegation noted that it focused mainly on the provision of reproductive health information and client-centred, quality services to a population of 17.3 million in 32 project counties. As a result of the cooperation there had been a significant and positive change in the reproductive health indicators in the 32 project counties. In addition, there had been a snowballing effect as many regions outside the 32 project areas had adopted the same modality for client-centred reproductive health services. The delegation noted that the new China programme had been designed and formulated by external experts in close consultation with the Chinese Government. Views had been sought from Chinese and international experts and representatives of major donors, including the United States. Guided by the principles of the Programme of Action of the International Conference on Population and Development (ICPD) and the Millennium Development Goals (MDGs), the programme was entirely in line with the mandate of UNFPA. The delegation stated that the country programme outline originally had been scheduled to be considered by the Executive Board at its annual session in June. However, in order to wait for the report of the United States Government mission led by Ambassador Brown to become available, and hoping that the United States would decide to resume its contribution to UNFPA, China had agreed to accommodate a request to defer consideration of the programme to the second regular session of the Board in September. The delegation regretted that its good will gesture had not yielded the result expected by the vast majority of countries.

148. The delegation underscored that the cooperation programme between China and UNFPA had always been open, transparent and subject to comprehensive and effective monitoring. The delegation added that in the last three years there had been as many as 160 independent assessment missions, inspection teams and study groups that had come to learn about the implementation of the programme. In other words, on average, every seven days an inspection team had visited the project areas. The United States team had travelled independently in all parts of China for two weeks and its conclusion was the same as that of the other teams, i.e., that the cooperation between China and UNFPA was fully in conformity with the Fund's mandate and ICPD principles and no coercive activities were supported. The delegation stated

that China was ready to conduct consultations with all interested countries, including the United States, on the details of the new programme. The delegation underscored that it supported the work of UNFPA and noted that while China received limited assistance, it contributed $820,000 annually to the Fund. In addition, China provided sizeable funds to help defray the administrative costs of the UNFPA office in Beijing. As a developing country with a population of 1.3 billion, China viewed cooperation with UNFPA as a window for continued exchanges in the international population and development field and a conduit for acquiring the latest international reproductive health information and technology.

149. Numerous delegations, including those speaking on behalf of the Asia and Africa regional groups and the Group of 77 and China, took the floor to express support for the country programme outline for China. They emphasized that the programme was consistent with the UNFPA mandate and the goals of ICPD, ICPD+5 and with the MDGs. Registering their confidence in UNFPA, delegations stressed that the Fund's activities in China were undertaken within a human rights approach, were fully in line with the principles of the ICPD Programme of Action and would contribute positively to reducing maternal and infant mortality. They stated that the allegations levelled against UNFPA were false and baseless. They emphasized that various monitoring missions, including those undertaken by Executive Board members, parliamentarians and government representatives from donor countries had all arrived at the same conclusion: UNFPA was a force for good in China and did not support any coercive programme.

150. Numerous delegations underscored that an important and significant shift had taken place from an administrative family planning approach to an integrated, client-oriented reproductive health approach in the 32 project counties under the UNFPA-supported programme in China. Several delegations commended UNFPA for its crucial and catalytic role in the 32 counties and were pleased to note that the Government of China intended to institute aspects of the client-oriented, quality reproductive health approach in 827 additional counties. They welcomed the Fund's work in supporting the Government of China in developing its policies regarding HIV/AIDS, ageing and gender equality. They encouraged UNFPA to continue the successful collaboration with the Chinese Government and Chinese society.

151. Several delegations underscored that the UNFPA-supported programme in China addressed the right priorities, including increasing the availability of quality, integrated and client-oriented reproductive health and family planning information and services; and emphasizing informed choice, the prevention of abortion, and the prevention of sexually transmitted diseases, including HIV/AIDS. One delegation mentioned that the linkage to the MDGs, particularly maternal mortality, should be more dominant. A number of delegations welcomed the serious commitment to reform and openness within the China family planning programme. Delegations pointed out that the removal of birth targets and quotas in those areas receiving UNFPA support was evidence of reform and of the value of the Fund's involvement in China. They underscored that progress in reform could be enhanced through engagement and support of exactly the type provided by UNFPA. One delegation noted that UNFPA was uniquely placed to play the role of "critical friend" in the countries where it worked. The delegation added that in order to bring about positive change the Fund would need to continue to work with governments. Affirming that UNFPA had demonstrated its commitment to support change and reform in China, the delegation encouraged UNFPA to help ensure that the lessons learned regarding

equity in access to services for the poor and the underserved were applied. The delegation also encouraged the Fund to assist in testing ways to eliminate social compensation fees, and to support policy analysis and research, for example, in monitoring the reproductive health law.

152. One delegation, while stating that it strongly supported the goals of the ICPD and UNFPA efforts to advance them, noted that it would await further information about the details of the China programme as they developed. The delegation noted that it had explained to the Executive Board its country's legal requirements to contribute to UNFPA. The delegation added that in the past, the team headed by Ambassador Brown had found in China "coercive elements in law and practice" which legally prevented its Government from funding UNFPA. The delegation stated that it would carefully review the structure and implementation of the new China programme to determine whether it could resume contributing to UNFPA. The delegation added that its country was a long-time supporter of UNFPA and a committed member of the Executive Board and it hoped to legally be able to contribute to UNFPA in order to further the Fund's important work in promoting ICPD goals.

153. Several delegations deeply regretted the decision of the United States to withhold its contribution to UNFPA. They noted that the decision would negatively impact women and children in developing countries, including in the least developed countries and in sub-Saharan Africa. Numerous delegations urged the United States to reconsider its decision and restore funding to UNFPA. Several delegations stressed that UNFPA needed strong political and financial support, including predictable core funding, in order to carry out its mandate effectively. Numerous delegations reiterated their firm support for UNFPA and underscored that the Fund was a valuable partner. One delegation noted that its country's bilateral programme in China focusing on maternal and child health and HIV/AIDS prevention offered opportunities for synergies with the UNFPA-supported programme. One delegation asked if the Fund would in the long run emerge stronger from facing the present adversity.

154. Concerning the country programme outline for East Timor, one delegation commended UNFPA for its swift response to the situation in East Timor and for the assistance being provided to the newly independent country. One delegation noted that Fund's role in East Timor was becoming more important, given that the Government had identified health as a high priority.

155. The Executive Director thanked all delegations that had spoken in support of UNFPA. She reiterated the Fund's full commitment to the ICPD Programme of Action, the framework of the Fund's mandate and the guide for its work. She thanked the countries that had announced additional contributions earlier in the session. She noted that UNFPA had made some calculations and the funding gap was still big. She thanked the United States delegation and the United States Government, especially Secretary of State Colin Powell, for trying to find ways to work with UNFPA and with the Chinese Government to facilitate the return of the United States contribution to UNFPA. She thanked the Chinese Government for the dialogue that UNFPA had been having with them since she had taken office, and in the prior years. She underscored that it was through such dialogue, over a number of years, that the targets and quotas had been removed from the project counties and it was gratifying to note that the Chinese Government intended to extend the client-

oriented, reproductive health approach to 827 additional counties not covered by the UNFPA programme.

156. The Executive Director emphasized that UNFPA would continue both its dialogue and work with the Chinese Government. She noted that she would also continue to raise the issue of social compensation fees that had been commented on by one of the delegations. She observed that she had paid an official visit to China in December 2001 and had travelled to various parts of the country. She had left the country knowing that a strong relationship between UNFPA and China had been cemented, which would further allow frank and open dialogue. She noted that during that visit she had raised the subject of social compensation fees. She added that she had left the country with the Chinese Government knowing that UNFPA was indeed a friend but also a "critical" friend. She pointed out that UNFPA played the role of a critical friend in all countries where it worked. Regarding human rights, she stated that it was not just the issue of quotas and targets – UNFPA was committed to promoting human rights in all countries, and towards that end its dialogue with countries included such subjects as female genital cutting and violence against women. She emphasized that the whole issue of human rights was the envelope within which UNFPA worked.

157. The Executive Director stated that she looked forward to a positive response from the United States Government to the Chinese invitation to all countries to participate in consultations concerning the development of the UNFPA-supported fifth China programme. Clarifying a point raised by the United States delegation, the Executive Director noted that an ethical question had been raised earlier in the session when the delegation had stated that the Kemp-Kasten amendment specified "that no United States Government funds be used in a programme that supports or participates in the management of a programme of coercive abortion or involuntary sterilization". She clarified that UNFPA did not support or participate in the management of a programme of coercive abortion or involuntary sterilization. She observed that until 2001 the agreement with the United States Government was that no United States funds would be spent in China. Therefore, after deducting an amount equivalent to what would have been spent in China annually, the United States contribution was placed in a separate account. She assured the Executive Board that as per the established procedure between the United States and UNFPA, no United States Government funds were spent in China. She emphasized that the arrangement would allow the United States contribution to be utilized to support programmes in countries other than China and that could still be done for any 2002 contribution. She stated that the bottom line issue was not funding, rather it pertained to trust, mutual respect and mutual support. She underscored that the joint responsibility of all was to ensure that human rights and the rights of women were respected all over the world, and not only in China.

158. Regarding the call for increased monitoring of the programme in China, she underscored that in order to develop and/or increase the Fund's capacity to monitor the programme, more resources, rather than less, were required. She stated that UNFPA stood ready to assist the Chinese Government in developing component projects based on the results from consultations with various international organizations, donors and development partners, including the United States. She thanked the delegation that had mentioned possible synergies with its bilateral programme in China. She welcomed the information and hoped that there would be a partnership between the two programmes. Concerning the query whether the

recent adversity had made UNFPA stronger, the Executive Director responded that UNFPA had indeed emerged stronger. She stated that UNFPA was fast becoming a household name in the United States and people who had not heard about the Fund were becoming acquainted with its work. She noted that in terms of popular and grassroots support in the United States, the current crisis had helped bring to the surface the Fund's work in assisting countries around the world in implementing the ICPD Programme of Action and in promoting human rights. She added that UNFPA was also stronger because of the support of the Executive Board that firmly believed in the Fund and its commitment to ethical principles. She underscored that UNFPA greatly valued the Board's confidence and trust and would honour it by working even more effectively and efficiently to be more transparent and worthy of support. She concluded by expressing her deep appreciation and gratitude to the Board for its support and trust.

159. The Director, APD, thanked the delegations for their support and the trust they placed in UNFPA. He stated that the Fund would provide technical assistance for the first national census in East Timor. The census would yield data that would be of great help for the socio-economic development of the country. Regarding the China country programme outline he noted that the linkage with the MDGs would be enhanced when the programme was further developed. He mentioned that the UNFPA Representative from China was present in the room and would be available to discuss any aspect of the UNFPA-supported programme in China.

160. The Executive Board took note of the following country programme outlines and the comments made thereon: China (DP/FPA/CPO/CHN/5); East Timor (DP/FPA/CPO/ETM/1); Maldives (DP/FPA/CPO/MDV/3); and the South Pacific sub-region (DP/FPA/CPO/PIC/3).

Latin America and the Caribbean region

161. The Director, Latin America and the Caribbean Division (LACD), introduced the country programme outline for Colombia (DP/FPA/CPO/COL/4).

162. One delegation, while expressing support, stated that meeting the basic needs, for example, health needs, and protecting the human rights of people affected by conflicts should be a priority in Colombia. The delegation stressed the importance of increasing support to the most vulnerable people, including internally displaced persons, children, women and indigenous and Afro-Colombian people. The delegation underscored the relevance of the proposed programme's expected output pertaining to improved access to sexual and reproductive health services for displaced populations, particularly adolescents. Referring to the expected output pertaining to enhanced integration of population factors in national development plans and policies, the delegation hoped that, as indicated in the outline, the programme would put an emphasis on internal population displacement and international migration issues. The delegation added that details should be included concerning the links between the country programme and peace and security issues. The delegation noted that consideration should be given as to how the country programme would be implemented if the situation deteriorated. One delegation welcomed the programme efforts to deal with the serious issues confronting Colombia and expressed concern about the security situation in the country. The delegation also thanked UNFPA for the assistance being provided to its own country.

163. The Director, LACD, thanked the delegations for their support and comments. She confirmed that UNFPA was addressing the needs of internally displaced people in Colombia and the Fund's focus would be to build on programmes already in place. She concurred that programme links with peace and security issues were of the highest importance. She noted that in accordance with the Government's needs and priorities a humanitarian plan was being designed by the United Nations country team. She added that the Government wished UNFPA to participate in the plan in a strategic way at the highest policy levels. She pointed out that there would be opportunities to include more details as the programme was further developed. She underscored Colombia's great need for resources and, considering the modest size of the programme, she invited the international donor community to participate in co-financing activities.

164. The Executive Board took note of the country programme outline for Colombia (DP/FPA/CPO/COL/4).

XII. Other matters

United Nations Capital Development Fund

165. With regard to the United Nations Capital Development Fund (UNCDF), the Executive Board held an informal meeting to discuss the financial situation. The Associate Administrator expressed concern over the downward trend in UNCDF resources over the last decade, which had constrained the response of the Fund to the increasing demand of programme countries. He hoped that the Board would find a solution to the resource problem and would agree on a resource mobilization strategy for UNCDF.

166. The Executive Secretary warned that, if the financial situation did not improve, the sustainability of UNCDF and the impact of its operations would be jeopardized. He advised that in order to maintain the critical mass to support the least developed countries (LDCs), UNCDF needed to mobilize $30 million in regular (core) resources and $10 million in other (non-core) resources per annum.

167. Delegations, including the representatives of the African and LDC groups, thanked and encouraged UNCDF to continue the good work in programme countries. To this end, they endorsed the core resource mobilization strategy to meet the annual target of $30 million. Some donors announced that they would review their current contributions with a view to raising their level of support to UNCDF so that all eligible countries would receive support.

168. Investment in public relations activities was also suggested as a way in which to raise the image of the Fund, which was essential for resource mobilization. Another delegation wished to know whether CDF benefited from UNDP core resources.

169. In his response, the Associate Administrator pointed out that UNDP and UNCDF received their respective core contributions separately; there were no transfers from the former to the latter in their programming arrangements.

170. The Executive Secretary concurred with the response of the Associate Administrator on the transfer of core resources from UNDP to UNCDF. He noted, however, that the collaboration between the two organizations had contributed to the

optimal utilization of core resources. He echoed the sentiments expressed by delegations regarding the inability of UNCDF to respond adequately and to all eligible countries as a result of resource constraints.

171. Regarding investments in public relations, he regretted that UNCDF did not have resources for this purpose. He suggested that programme countries could report to the donors on how they appreciated the work of UNCDF and appeal for more support to improve the resource situation of the Fund.

172. The Executive Board adopted decision 2002/26 (see annex I) and called on the international community to assist UNCDF in mobilizing $30 million per annum in order to fulfil its mandate.

Briefing on the Brussels Programme of Action for the Least Developed Countries

173. The High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States briefed the Executive Board on the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

174. The Executive Board adopted decision 2002/25 (see document DP/2003/2), on the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

Joint meeting of the Executive Boards

175. Executive Board members observed that joint meetings in the past had provided members of the Executive Boards of UNDP/UNFPA, the United Nations Children's Fund and the World Food Programme with opportunities to exchange information and experiences on areas of mutual interest. While they agreed that the joint meetings should continue to be held, delegations advised that the time allotted for them was inadequate for substantive and interactive debate.

176. Accordingly, they adopted decision 2002/27 (see annex I), proposing a two-day joint meeting to be held in January 2003.

Note on reporting in 2003

177. The Director, Bureau for Resources and Strategic Partnerships, introduced the note on reporting, in which he informed the Executive Board that in September 2003 the Administrator would propose a multi-year funding framework (MYFF) covering the period 2004-2007. The MYFF 2004-2007 would take into consideration the following elements: analysis of country-level demand, the Millennium Development Goals and the six practice areas. It would also build on the experience gained during the first MYFF 2000-2003. Out of the first three-year MYFF experience would come the MYFF report, to be presented at the annual session 2003, where it will be discussed together by UNDP and the Executive Board prior to the finalization of MYFF 2004-2007.

178. The Executive Board concluded its work by adopting decision 2002/28 (see annex I).

Annex I

Decisions adopted by the Executive Board during 2002

Contents

Number		*Page*
	First regular session 2002 (28 January-8 February, New York)	
2002/1	UNDP contribution to the United Nations system strategic plan for HIV/AIDS for 2001-2005	135
2002/2	UNDP-UNOPS relationship	135
2002/3	Future arrangements for the UNFPA Technical Advisory Programme	136
2002/4	Overview of decisions adopted by the Executive Board at its first regular session 2002	136
	Annual session 2002 (17-28 June, Geneva)	
2002/5	UNFPA annual report and funding commitments	140
2002/6	UNFPA and sector-wide approaches	142
2002/7	Internal audit and oversight for UNDP and UNFPA	142
2002/8	Annual report of the Administrator for 2001, including the results-oriented annual report (ROAR)	142
2002/9	UNDP core funding strategy	143
2002/10	Programming arrangements	144
2002/11	Request by Argentina	144
2002/12	United Nations Volunteers	145
2002/13	United Nations Office for Project Services	145
2002/14	Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010	147
2002/15	Overview of decisions adopted by the Executive Board at its annual session 2002	148
	Second regular session 2002 (23-27 September, New York)	
2002/16	UNDP: Annual review of the financial situation, 2001	152
2002/17	UNDP special reserve for separations relating to UNOPS	153
2002/18	Programming arrangements for the period 2004-2007	153
2002/19	Annual report of the Administrator on evaluation, 2001	156
2002/20	United Nations Development Fund for Women	157
2002/21	United Nations Office for Project Services	158
2002/22	Independent review of the United Nations Office for Project Services	159
2002/23	Field visits	163

2002/24 UNFPA: Revised estimates for the biennial support budget for 2002-2003 163
2002/25 Brussels Programme of Action for the Least Developed Countries for the Decade 2001 to 2010 .. 165
2002/26 United Nations Capital Development Fund 165
2002/27 Joint Executive Board meeting to be held in January 2003 166
2002/28 Overview of decisions adopted by the Executive Board at its second regular session 2002 ... 166

2002/1
UNDP contribution to the United Nations system strategic plan for HIV/AIDS for 2001-2005

The Executive Board

1. *Supports* the overall strategic directions and areas of focus of the response of UNDP to HIV/AIDS, as co-sponsor of UNAIDS and supports country-level action to implement the Declaration of Commitment adopted by Member States at the special session of the General Assembly on HIV/AIDS on 27 June 2001;

2. *Welcomes* the UNDP contribution to the United Nations system strategic plan for HIV/AIDS for 2001-2005 (DP/2002/3);

3. *Endorses* the overall approach of UNDP to its role as coordinator of the United Nations system activities at the country level, through existing United Nations mechanisms and the United Nations Development Assistance Framework and through its partnership with all United Nations organizations, non-governmental organizations and the private sector in response to the HIV/AIDS crisis;

4. *Calls for* the mobilization of additional financial resources, from all sources, to enable UNDP to implement its HIV/AIDS strategy, meet its obligation as UNAIDS co-sponsor, and effectively support national efforts to achieve the time-bound goals and targets set forth in the Declaration of Commitment adopted by Member States at the special session of the General Assembly on HIV/AIDS;

5. *Stresses* the importance of implementing the present decision in compliance with the Declaration of Commitment adopted by Member States at the special session of the General Assembly on HIV/AIDS.

1 February 2002

2002/2
UNDP-UNOPS relationship

The Executive Board

1. Welcomes the note of the Secretary-General contained in document DP/2002/CRP.5 and the conference room paper submitted jointly by UNDP and UNOPS (DP/2002/CRP.4);

2. *Encourages* UNDP and UNOPS to work in the spirit of partnership and complementarity as spelled out in document DP/2002/CRP.4;

3. *Endorses* the proposals in the note of the Secretary-General contained in document DP/2002/CRP.5;

4. *Reiterates* the need for UNOPS to operate on a full cost-recovery basis as recommended in the evaluation of the relationship between UNDP and UNOPS (DP/2000/13);

5. *Stresses* the importance of UNOPS not entering into fundraising activities of any nature;

6. *Stresses* that UNOPS is a service provider to the organizations of the United Nations system, including the Bretton Woods institutions, and through them,

to Governments, non-governmental organizations and the private sector of recipient countries when requested or agreed to by the United Nations agency concerned;

7. *Underlines* the role of the Executive Board in providing policy guidance for and supervision of UNOPS and reaffirms the importance of allocating sufficient time for UNOPS-related matters during the UNDP segment of the UNDP/UNFPA Executive Board;

8. *Urges* the Administrator and the Executive Director to ensure that the recommendations for operational improvements as contained in the document DP/2002/CRP.5 are implemented without delay and requests that they submit to the Executive Board at its annual session 2002 a detailed report on the progress achieved, including on the functioning of the Management Coordination Committee and the working group;

9. *Requests* UNDP and UNOPS to explore issues and opportunities involving the Inter-Agency Procurement Services Office and to report to the Executive Board on this issue at its annual session 2002.

1 February 2002

2002/3
Future arrangements for the UNFPA Technical Advisory Programme

The Executive Board

1. *Endorses* the proposed option for the UNFPA Technical Advisory Programme (DP/FPA/2002/3);

2. *Authorizes* the Executive Director to commit an amount of $76 million over the four-year period 2002-2005 for its implementation;

3. *Requests* the Executive Director to submit to the Executive Board at its annual session 2003 a report on a monitoring and evaluation system of the Technical Advisory Programme;

4. *Also requests* the Executive Director to submit to the Executive Board at its second regular session 2004 a mid-term review on the Technical Advisory Programme.

5 February 2002

2002/4
Overview of decisions adopted by the Executive Board at its first regular session 2002

The Executive Board

Recalls that during the first regular session 2002, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2002:

President:	H.E. Mr. Dirk Jan van den Berg (Netherlands)
Vice-President:	H.E. Ms. Noemí Espinoza Madrid (Honduras)
Vice-President:	Mr. Hazem Fahmy (Egypt)
Vice-President:	Mr. Bali Moniaga (Indonesia)
Vice-President:	Dr. Jana Simonová (Czech Republic)

Approved the agenda and work plan for its first regular session 2002 (DP/2002/L.1 and Corr.1 and 2), as orally amended;

Approved the report of the annual session 2001 (DP/2001/20);

Approved the report of the second regular session 2001 (DP/2002/1);

Approved its annual work plan 2002 (DP/2002/CRP.1);

Agreed to the following schedule of future sessions of the Executive Board in 2002:

Annual session 2002: 17 to 28 June 2002 (Geneva)

Second regular session 2002: 23 to 27 September 2002

UNDP segment

Item 2
UNDP Business Plans, 2000-2003

Took note of the update on the role of UNDP in crisis and post-conflict situations: organizational changes (DP/2002/CRP.3);

Took note of the report on the UNDP Business Plans, 2000-2003 (DP/2002/CRP.2);

Item 3
Country cooperation frameworks and related matters

Approved the following regional cooperation frameworks:

Second regional cooperation framework for Africa	DP/RCF/RBA/2
Second regional cooperation framework for Latin America and the Caribbean	DP/RCF/RLA/2
Second regional cooperation framework for the Arab States	DP/RCF/RAS/2

Approved the following country cooperation frameworks:

Second country cooperation framework for Angola	DP/CCF/ANG/2
Second country cooperation framework for Eritrea	DP/CCF/ERI/2 and Corr.1
Second country cooperation framework for Gabon	DP/CCF/GAB/2
Second country cooperation framework for Ghana	DP/CCF/GHA/2
Second country cooperation framework for Guinea	DP/CCF/GUI/2

Second country cooperation framework for Namibia	DP/CCF/NAM/2
Second country cooperation framework for Rwanda	DP/CCF/RWA/2
Second country cooperation framework for Sao Tome and Principe and Corr.1 (French only)	DP/CCF/STP/2
Second country cooperation framework for South Africa	DP/CCF/SAF/2 and Corr.1
Second country cooperation framework for the Lao People's Democratic Republic	DP/CCF/LAO/2
Second country cooperation framework for the Republic of Korea	DP/CCF/ROK/2
Second country cooperation framework for the Philippines	DP/CCF/PHI/2
Second country cooperation framework for Kuwait	P/CCF/KUW/2
Second country cooperation framework for Morocco	DP/CCF/MOR/2
Second country cooperation framework for the Syrian Arab Republic	DP/CCF/SYR/2
Second country cooperation framework for Tunisia	DP/CCF/TUN/2
Second country cooperation framework for the United Arab Emirates	DP/CCF/UAE/2
Second country cooperation framework for Yemen	DP/CCF/YEM/2
Second country cooperation framework for Albania	DP/CCF/ALB/2
Second country cooperation framework for Bulgaria	DP/CCF/BUL/2
Second country cooperation framework for Ukraine	DP/CCF/UKR/2
First country cooperation framework for Yugoslavia	DP/CCF/YUG/1
Second country cooperation framework for Guyana	DP/CCF/GUY/2
Second country cooperation framework for Haiti	DP/CCF/HAI/2
Second country cooperation framework for Jamaica	DP/CCF/JAM/2
Second country cooperation framework for Paraguay	DP/CCF/PAR/2

Took note of the extensions of country cooperation frameworks (DP/2002/8);

Approved an independence bonus for Yugoslavia;

Item 4
HIV/AIDS

Adopted decision 2002/1 of 1 February 2002 on the UNDP contribution to the United Nations system strategic plan for HIV/AIDS for 2001-2005;

Item 5
Special funds and programmes

Took note of the report on UNDP activities financed by the Global Environment Facility and the Montreal Protocol (DP/2002/4);

Item 6
Evaluation

Took note of the annual report of the Administrator on evaluation (DP/2001/26);

Took note of the report on the evaluation of non-core funding resources (DP/2001/CRP.12);

Took note of the report on the evaluation of direct execution (DP/2001/CRP.13);

Adopted decision 2002/2 of 1 February 2002 on the UNDP-UNOPS relationship;

Joint UNDP/UNFPA segment

Item 7
Recommendations of the Board of Auditors 1998-1999

Took note of the reports on implementation of the recommendations of the Board of Auditors for the biennium 1998-1999 for the United Nations Development Programme (DP/2002/5), the United Nations Population Fund (DP/FPA/2002/2) and the United Nations Office for Project Services (DP/2002/6);

Item 8
Reports to the Economic and Social Council

Took note of the reports of the UNDP Administrator (DP/2002/7) and the UNFPA Executive Director (DP/FPA/2002/1) to the Economic and Social Council and agreed to transmit them to the Council with comments made thereon;

UNFPA segment

Item 9
Technical Advisory Programme

Adopted decision 2002/3 of 5 February 2002 on the future arrangements for the UNFPA Technical Advisory Programme;

Item 10
Country programmes and related matters

Approved the following programmes of assistance:

Assistance to the Government of Algeria	DP/FPA/DZA/3
Assistance to the Government of Brazil	DP/FPA/BRA/3
Assistance to the Government of Cape Verde	DP/FPA/CPV/4
Assistance to the Government of the Democratic Republic of Congo	DP/FPA/COD/2
Assistance to the Government of the Dominican Republic	DP/FPA/DOM/3

Assistance to the Government of Gabon	DP/FPA/GAB/4
Assistance to the Government of Guinea	DP/FPA/GIN/5
Assistance to the Government of Haiti	DP/FPA/HTI/3
Assistance to the Government of Honduras	DP/FPA/HND/5
Assistance to the Government of Lao People's Democratic Republic	DP/FPA/LAO/3
Assistance to the Government of Lebanon	DP/FPA/LBN/2 and Corr.1
Assistance to the Government of Malawi	DP/FPA/MWI/5
Assistance to the Government of Mexico	DP/FPA/MEX/4
Assistance to the Government of Nepal	DP/FPA/NPL/5
Assistance to the Government of Nicaragua	DP/FPA/NIC/6
Assistance to the Government of Paraguay	DP/FPA/PRY/5
Assistance to the Government of Rwanda	DP/FPA/RWA/5
Assistance to the Government of South Africa	DP/FPA/ZAF/2
Assistance to the Government of the United Republic of Tanzania	DP/FPA/TZA/5
Assistance to the Government of Togo	DP/FPA/TGO/4
Assistance to the Government of Yemen	DP/FPA/YEM/3
Assistance to the Government of Zambia	DP/FPA/ZMB/5

Item 11
Other matters

Listened to the oral report of the Executive Director of the United Nations Office for Project Services on the provisional financial parameters for the financial year 2001;

Joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP

Held a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, on UNDG priorities for 2002 and beyond: a response to the triennial policy review of operational activities for development of the United Nations system.

5 February 2002

2002/5
UNFPA annual report and funding commitments

The Executive Board

1. *Welcomes* the report of the Executive Director for 2001 (DP/FPA/2002/4, Parts I–IV) and the report on funding commitments to the United Nations Population Fund (UNFPA) (DP/FPA/2002/5);

2. *Notes* with appreciation the progress made by UNFPA in the implementation of the multi-year funding framework;

3. *Welcomes* the comprehensive transition process;

4. *Welcomes* the initial implementation of a results-based approach and encourages UNFPA to make further progress in this area;

5. *Underlines* that UNFPA plays a crucial role, within its mandate, in helping recipient countries to achieve the unanimously agreed goals and targets contained in the International Conference on Population and Development (ICPD) Programme of Action,[1] ICPD+5[2] and the Millennium Declaration;

6. *Recognizes* that UNFPA contributes to sustainable development, in particular poverty eradication, by helping recipient countries address population dynamics and reproductive health issues;

7. *Expresses* its concern that the income projections to date for 2002 have declined as compared to the previous financial year;

8. *Urges* all countries to recognize the important role, within its mandate, of UNFPA in the forthcoming World Summit on Sustainable Development and the follow-up thereof;

9. *Emphasizes* that UNFPA needs strong political and financial support as well as increased, stable and predictable core funding, in order to carry out its mandate effectively;

10. *Encourages* UNFPA to mobilize additional financial resources, from all sources, *inter alia*, bilateral donors, recipient countries, foundations, corporations and from other segments of civil society;

11. *Encourages* all countries, in the spirit of the Monterrey Consensus, to further their support for UNFPA, including through greater advocacy and increased funding, in particular to the Fund's core resources;

12. *Encourages* all countries, in a position to do so, to make contributions early in the year and to make multi-year pledges;

13. *Welcomes* UNFPA efforts to broaden its donor base and encourages the organization to continue in these efforts.

21 June 2002

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[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994, (United Nations publication, sales no. E.95.XIII.18, chapter I, resolution 1, annex).

[2] General Assembly resolution A/RES/S-21/2, Key actions for the further implementation of the Programme of Action of the International Conference on Population and Development, adopted on 8 November 1999.

2002/6
UNFPA and sector-wide approaches

The Executive Board

1. *Takes note* of the report on UNFPA and sector-wide approaches (DP/FPA/2002/6);

2. *Encourages* UNFPA, where requested by recipient countries, to increase its involvement in sector-wide approaches;

3. *Requests* UNFPA, within its mandate, to contribute, at the request of the recipient countries, to national activities, including sector-wide approaches, in order to strengthen the implementation of the International Conference on Population and Development Programme of Action[1] toward the attainment of the Millennium Development Goals (MDGs);

4. *Requests* the Executive Director to outline progress achieved in the Annual Report.

21 June 2002

2002/7
Internal audit and oversight for UNDP and UNFPA

The Executive Board

Encourages the Administrator and the Executive Director to take the necessary steps to address the issues contained in the reports on internal audit and oversight (DP/2002/12 and DP/FPA/2002/8) and report to the Board at the annual session 2003 in the context of their respective reports on internal audit and oversight.

21 June 2002

2002/8
Annual report of the Administrator for 2001, including the results-oriented annual report (ROAR)

The Executive Board

1. *Expresses* appreciation for the annual report of the Administrator, including the results- oriented annual report (DP/2002/15), stressing that it is informative and accessible;

2. *Recognizes* that the United Nations Development Programme continues to lead in the effort to apply results-based management within the United Nations system and *endorses* and *encourages* the sharing of UNDP experience in results-based management with other members of the United Nations system and with programme countries;

3. *Commends* the candour with which the United Nations Development Programme acknowledged shortcomings, particularly in the area of gender mainstreaming, and *welcomes* their intention to address these shortcomings;

[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994 (United Nations publication, sales no. E.95.XIII.18, chapter I, resolution 1, annex).

4. *Appreciates* that the results-oriented annual report offers a good overview of activities being undertaken in the six mandated goals and *encourages* UNDP to continue to improve the results-oriented annual report;

5. *Recognizes* the important role of the United Nations Development Programme in the implementation of the international development goals and targets of the Millennium Declaration and *encourages* the United Nations Development Programme to incorporate in the results-oriented annual report: (a) information on the results of UNDP activities linked with the resources allocated to the same; (b) the methodology used by the United Nations Development Programme to assess its role in progress towards achieving the international development goals and targets of the Millennium Declaration; (c) measurement of its role in progress towards achieving the international development goals and targets of the Millennium Declaration;

6. *Also suggests* that the results-oriented annual report, as an annual outcome report of the multi-year funding framework, could be a powerful tool for advocacy to demonstrate the important work of the United Nations Development Programme as well as a stimulus to increase core resources;

7. *Expresses* keen interest in the methodology adopted to assess performance of the United Nations Development Programme and *encourages* the United Nations Development Programme to explore analytical options with regard to the data basis and the comparability of data between countries and regions;

8. *Encourages* the United Nations Development Programme to initiate the process of developing the next multi-year funding framework, taking into account, *inter alia*, the Millennium Declaration, the outcomes of major United Nations conferences and experiences gained in the implementation of the current multi-year funding framework;

9. *Requests* that the Administrator continue to follow-up on the recommendations contained in the reports of the Joint Inspection Unit (DP/2002/15/Add.1).

27 June 2002

2002/9
UNDP core funding strategy

The Executive Board

1. *Reaffirms* its decisions 98/23, 99/1 and 99/23, which set in place a funding system for the United Nations Development Programme designed to generate transparent dialogue on regular funding and facilitate greater volume and enhanced predictability;

2. *Welcomes* the increase in the overall resources of the United Nations Development Programme recorded in 2001, while reiterating that core resources are the bedrock of the United Nations Development Programme and essential to maintaining the multilateral and universal nature of its work;

3. *Recognizes* that, in light of the Monterrey Consensus, there exists a unique opportunity to examine the future funding of the multilateral organizations working in development in a comprehensive and holistic manner.

27 June 2002

2002/10
Programming arrangements

The Executive Board

1. *Reaffirms* the fundamental characteristics of the operational activities of the United Nations development system, which are, *inter alia*, universality, neutrality, multilateralism and its voluntary and grant nature;

2. *Takes note* of document DP/2002/17 on the issues and principles for possible improvements in the present programming arrangements and *requests* the Administrator to submit at the second regular session 2002 a report with further clarifications on the various questions raised by the Members of the Executive Board at the annual session 2002;

3. *Endorses* the proposal to move from a three-year programme financial framework to a four-year framework for the period commencing in 2004, with the purpose to ensure that, in the future, proposals for the UNDP biennial support budget and the financial framework for regular programme resources are submitted at the same Executive Board session at least every four years;

4. *Invites* the Administrator to submit, within the context of the preparations of the next cycle of the multi-year funding framework, a proposal for future synchronization of the processes leading to the endorsement of future multi-year funding frameworks and programme financial frameworks;

5. *Requests* the Administrator to provide the Executive Board at its second regular session 2002 with proposals for possible recalculations of the target for resource assignment from the core 1.1.1 earmarkings in the course of the four-year framework period and to propose in this context also an arrangement to recalculate such earmarkings for countries that have seen a significant change in their gross national income per capita, as well as benchmarks to define such a change as significant.

27 June 2002

2002/11
Request by Argentina

The Executive Board

1. *Takes note* of the request by Argentina contained in document DP/2002/CRP.9;

2. *Expresses its deep concern* about the serious economic downturn in Argentina since early 2002;

3. *Recognizes* the considerable estimated decline in the gross national income per capita and the resulting rise in the social and economic hardship for the population;

4. *Decides* to provisionally suspend, on an exceptional basis, the status of Argentina as a net contributor country (NCC) and the NCC financial obligations as outlined in document DP/2002/CRP.9 with immediate effect, pending certification by the World Bank of the gross national income per capita for 2002;

5. *Requests* the United Nations Development Programme to set up a special trust fund so that Argentina may benefit from technical assistance and upstream policy advice from the United Nations Development Programme with immediate effect;

6. *Requests* the Administrator to provide the Executive Board at its second regular session 2002 with proposals for possible recalculations of the target for resource assignment from the core 1.1.1 earmarkings in the course of the four-year framework period, and to propose, in this context, also an arrangement to recalculate such earmarkings for countries that have seen a significant change in their gross national income per capita, as well as benchmarks to define such a change as significant.

27 June 2002

2002/12
United Nations Volunteers

The Executive Board

1. *Expresses* appreciation for the activities of the United Nations Volunteers programme during the 2000-2001 biennium and the achievement for the first time of over 5,000 serving volunteers in its thirtieth anniversary year;

2. *Welcomes* the contribution of the United Nations Volunteers programme to raising awareness among the international community and within the United Nations system of the importance of volunteerism in addressing the full range of development challenges;

3. *Recognizes* the role of the United Nations Volunteers programme as a facilitator of South-South exchange and as a window of opportunity for global citizens to engage as volunteers in United Nations activities for peace and development;

4. *Reaffirms* the importance of the Special Voluntary Fund in enabling the United Nations Volunteers programme to continue its work in piloting initiatives that demonstrate the role that volunteerism and volunteers play in development;

5. *Commends* the United Nations Volunteers programme on its work as focal point for the International Year of Volunteers and *encourages* its continued support for the recognition, facilitation, networking and promotion of volunteering.

27 June 2002

2002/13
United Nations Office for Project Services

The Executive Board

1. *Reaffirms* its decision 2002/2 on the relationship between the United Nations Development Programme and the United Nations Office for Project Services;

2. *Recalls* the commitment by the Secretary-General to encourage United Nations entities to work through the United Nations Office for Project Services as contained in document DP/2002/CRP.5;

3. *Regrets* the late availability, in all languages, of documents pertaining to the United Nations Office for Project Services (DP/2002/19, DP/2002/CRP.10, DP/2002/CRP.11, DP/2002/CRP.12, DP/2002/CRP.13);

4. *Expresses its deep concern* that UNOPS expenditures were not aligned to project and other service income, resulting in a $5.6 million deficit in 2001, rendering the level of the operational reserve substantially below the level required by decision 2001/14;

5. *Notes with concern* the sizeable projected deficit that was anticipated in March 2002 for calendar year 2002, which is addressed in the revised budget presented in document DP/2002/CRP.10;

6. *Approves* the revised budget for 2002 contained in document DP/2002/CRP.10;

7. *Requests* the United Nations Office for Project Services to report to the Executive Board at its second regular session in September 2002 on the implementation of the revised budget for 2002 and revisions to the budget for the second year of the biennium 2002-2003;

8. *Regrets* that the Advisory Committee on Administrative and Budgetary Questions could not be consulted before the annual session of the Executive Board in June 2002 and *invites* the Advisory Committee on Administrative and Budgetary Questions to provide to the Executive Board at its second regular session in September 2002 their comments on all relevant documents requested by the Executive Board in this decision, including the revised budget for 2002 and the revisions for the second year of the biennium 2002-2003;

9. *Welcomes* the recent efforts to improve oversight by the Management Coordination Committee and the MCC Working Group on the United Nations Office for Project Services and *encourages* the Management Coordination Committee, the Working Group and the United Nations Office for Project Services, within their respective mandates, to continue to monitor the implementation of the revised budget;

10. *Takes note of* the recent establishment of the expanded Management Coordination Committee;

11. *Welcomes* the report of the Board of Auditors to the General Assembly on the accounts of the United Nations Office for Project Services for the biennium ended December 2001 (DP/2002/CRP.13);

12. *Notes with concern* that the opinion of the Board of Auditors is unqualified on the financial statements for 2000-2001, yet modified due to an emphasis of matter drawing attention to the risks that exist regarding the future of the United Nations Office for Project Services;

13. *Also notes* that the Board of Auditors qualified its opinion on the non-compliance of the United Nations Office for Project Services with Executive Board decision 2001/14 regarding the level of the operational reserve;

14. *Requests* the United Nations Office for Project Services to develop a clear and definite action plan on savings from the projected staff cuts, in full compliance with United Nations Staff Rules and Regulations as recommended by the Board of Auditors, to be presented to the Executive Board at its second regular session in September 2002;

15. *Notes with concern* the information contained in the report of the Board of Auditors (DP/2002/CRP.13) on the past and projected financial situation of the United Nations Office for Project Services, including the substantial unfunded liabilities regarding end-of-service benefits, which were not included in the financial statements;

16. *Requests* the United Nations Office for Project Services to prepare a contingency plan to address measures to be taken in the event of the operational reserve being unable to absorb possible deficits, to be approved by the Executive Board at its second regular session in September 2002;

17. *Urges* the United Nations Office for Project Services, as a self-financing entity, to review the basis and calculation of the cost of its services with a view to ensuring that all costs are identified and recovered;

18. *Requests* the United Nations Office for Project Services to implement the recommendations of the Board of Auditors and to report on its implementation plan and the progress made to the Executive Board at its second regular session in September 2002;

19. *Encourages* the United Nations Office for Project Services, with the help of the Management Coordination Committee and potential clients, and based on the commitment of the Secretary-General, to further diversify its client portfolio;

20. *Requests* the Management Coordination Committee and the United Nations Office for Project Services to submit to the Executive Board for review and approval at its second regular session in September 2002 the draft terms of reference and a timetable for an external, independent review of the UNOPS business model, its cost effectiveness and the scope for further expansion of business opportunities within the United Nations system in order to establish a framework for a sustainable United Nations Office for Project Services;

21. *Recalls* that all documentation must be provided six weeks in advance of the meetings of the Executive Board.

27 June 2002

2002/14
Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010

The Executive Board

1. *Welcomes* the endorsement of the Brussels Declaration (A/CONF.191/12) and the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/CONF.191/11) by the United Nations General Assembly in its resolution 55/279 of 12 July 2001;

2. *Recalls* the fundamental characteristics of the operational activities of the United Nations as contained in United Nations General Assembly resolution 56/201 of 21 December 2001;

3. *Stresses* the need for continuing special attention by the United Nations Development Programme for the implementation of the Brussels Programme of Action;

4. *Invites* the UNDP Administrator to mainstream the implementation of the Brussels Programme of Action in UNDP activities within its programme of work as called for in United Nations General Assembly resolution 56/227, paragraph 4, as well as in UNDP managed funds activities, in particular in activities of the United Nations Capital Development Fund.

27 June 2002

2002/15
Overview of decisions adopted by the Executive Board at its annual session 2002

The Executive Board

Recalls that during the annual session 2002, it:

Item 1
Organizational matters

Approved the agenda and work plan for its annual session 2002 (DP/2002/L.2), as orally amended;

Approved the report of the first regular session 2002 (DP/2002/10);

Agreed to the following schedule of future sessions of the Executive Board in 2002 and 2003:

Second regular session 2002:	23-27 September 2002
First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York)*
Second regular session 2003:	8-12 September 2003

Held a UNFPA special event on "The role of women and men in reproductive health in post-conflict situations, with a specific focus on the Great Lakes Region";

UNFPA segment

Item 2
Report of the Executive Director for 2001

Adopted decision 2002/5 of 21 June 2002 on the annual report of the Executive Director for 2001 and funding commitments;

Item 3
Funding commitments to UNFPA

Adopted decision 2002/5 of 21 June 2002 on the annual report of the Executive Director for 2001 and funding commitments;

* Approved on a provisional basis, to be taken up at an upcoming meeting of the Bureau of the Executive Board.

Item 4
UNFPA and sector-wide approaches

Adopted decision 2002/6 of 21 June 2002 on UNFPA and sector-wide approaches;

Item 5
Evaluation

Took note of the UNFPA periodic report on evaluation activities (DP/FPA/2002/7);

Item 6
Country programmes and related matters

Took note of the following country programme outlines and the comments made thereon:

Country programme outline for Cameroon	DP/FPA/CPO/CMR/4
Country programme outline for Côte d'Ivoire	DP/FPA/CPO/CIV/5
Country programme outline for Equatorial Guinea	DP/FPA/CPO/GNQ/4
Country programme outline for Mali	DP/FPA/CPO/MLI/5
Country programme outline for Mauritania	DP/FPA/CPO/MRT/5
Country programme outline for Nigeria	DP/FPA/CPO/NGA/5
Country programme outline for Bangladesh	DP/FPA/CPO/BGD/6
Country programme outline for India	DP/FPA/CPO/IND/6
Country programme outline for Papua New Guinea	DP/FPA/CPO/PGN/3
Country programme outline for Djibouti	DP/FPA/CPO/DJI/2
Country programme outline for Jordan	DP/FPA/CPO/JOR/6
Country programme outline for Bolivia	DP/FPA/CPO/BOL/4
Country programme outline for El Salvador	DP/FPA/CPO/SLV/5
Country programme outline for Venezuela	DP/FPA/CPO/VEN/1

Approved the following programmes of assistance:

Assistance to the Government of the Central African Republic	DP/FPA/CAF/5
Assistance to the Government of Egypt	DP/FPA/EGY/7
Assistance to the Government of Tunisia	DP/FPA/TUN/7
Assistance to the English- and Dutch-speaking Caribbean countries	DP/FPA/CAR/3

UNDP/UNFPA joint segment

Item 7
Internal audit and oversight

Adopted decision 2002/7 of 21 June 2002 on internal audit and oversight for the United Nations Development Programme and the United Nations Population Fund;

Took note of the report on internal audit and oversight for the United Nations Office for Project Services (DP/2002/13/Add.1);

Item 8
Reports on field visits

Took note of the report on the field visit to Senegal (DP/2002/CRP.6);

Took note of the briefing on the field visit to Viet Nam;

UNDP segment

Item 9
Annual report of the Administrator

Adopted decision 2002/8 of 27 June 2002 on the annual report of the Administrator for 2001, including the results-oriented annual report;

Item 10
United Nations Capital Development Fund

Took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2002/14);

Item 11
Funding commitments

Adopted decision 2002/9 of 27 June 2002 on UNDP core funding strategy;

Item 12
Programme financing

Adopted decision 2002/10 of 27 June 2002 on programming arrangements;

Item 13
Country programmes and related matters

Approved the second regional cooperation framework for Europe and the Commonwealth of Independent States (DP/RCF/REC/2,;

Took note of the following country programme outlines and comments made thereon:

First country programme outline for Botswana	DP/CPO/BOT/1
First country programme outline for Cameroon	DP/CPO/CAM/1
First country programme outline for Comoros	DP/CPO/COM/1

First country programme outline for Equatorial Guinea	DP/CPO/EQG/1
First country programme outline for Côte d'Ivoire	DP/CPO/CVI/1
First country programme outline for Guinea Bissau	DP/CPO/GBS/1
First country programme outline for Liberia	DP/CPO/LIB/1
First country programme outline for Mali	DP/CPO/MLI/1
First country programme outline for Nigeria	DP/CPO/NIR/1
First country programme outline for the Seychelles	DP/CPO/SEY/1
First country programme outline for India	DP/CPO/IND/1
First country programme outline for Malaysia	DP/CPO/MAL/1
First country programme outline for Papua New Guinea	DP/CPO/PNG/1
First country programme outline for Mauritania	DP/CPO/MAU/1
First country programme outline for Bolivia	DP/CPO/BOL/1
First country programme outline for Cuba	DP/CPO/CUB/1
First country programme outline for the Dominican Republic	DP/CPO/DOM/1
First country programme outline for Panama	DP/CPO/PAN/1
First country programme outline for Venezuela	DP/CPO/VEN/1

Approved the following country cooperation frameworks:

Second country cooperation framework for Ethiopia	DP/CCF/ETH/2
Second country cooperation framework for Algeria	DP/CCF/ALG/2
Second country cooperation framework for Lebanon	DP/CCF/LEB/2
Second country cooperation framework for Belize	DP/CCF/BEL/2
Second country cooperation framework for Honduras	DP/CCF/HON/2

Took note of the extensions of country cooperation frameworks for Cuba and Thailand (DP/2002/22);

Adopted decision 2002/11 of 27 June 2002 on the request by Argentina;

Item 14
United Nations Volunteers

Adopted decision 2002/12 of 27 June 2002 on the United Nations Volunteers;

Item 15 United Nations Office for Project Services
Item 16 UNDP-UNOPS relationship
Item 7 Internal audit and oversight

Adopted decision 2002/13 of 27 June 2002 on the United Nations Office for Project Services;

Item 17
Other matters

I. Informal consultations

Held informal consultations on the system-wide approach and coordination in addressing HIV/AIDS (with the participation of the International Labour Organization, the secretariat of the Joint United Nations Programme on HIV/AIDS, the United Nations Development Programme, the United Nations Population Fund, the World Health Organization and the country offices of Cambodia and Swaziland).

Held informal consultations on improving the working methods of the Executive Board.

Held informal consultations on progress in the implementation of the Doha development agenda and trade-related assistance and capacity-building (with the participation of the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme and the World Trade Organization).

II. Decision on the least developed countries

Adopted decision 2002/14 of 27 June 2002 on Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

27 June 2002

2002/16
UNDP: Annual review of the financial situation, 2001

The Executive Board

1. *Takes note* of the annual review of the financial situation (DP/2002/25 and Add.1);

2. *Recognizes* that the ability of UNDP to fulfil its mandate depends fundamentally on its having an adequate, secure regular funding base that guarantees its multilateral, impartial and universal character;

3. *Also recognizes* that the timeliness of payment of contributions is essential to avoid liquidity constraints;

4. *Encourages* all countries, in a position to do so, to make contributions early in the year and to make multi-year pledges;

5. *Welcomes* the upward trend in regular resources for the first time in eight years;

6. *Recognizes* that the growth trend remains modest in relation to targets set by the Executive Board in the multi-year funding framework and urges countries, in a position to do so, to contribute to regular (core) resources;

7. *Takes note* of the continued strength of other (non-core) resource contributions to the organization and their contributions to the goals of the multi-year funding framework, while recognizing that such resources can be no substitute for regular (core) resources;

8. *Requests* that UNDP review the format of its financial tables and data in order to provide the Executive Board with a more transparent overview of contributions at the country level, particularly if programmes are financed from different sources;

9. *Notes with concern* that in 2001 only about half of the income of regular (core) resources could be used for programmes and *requests* that the Administrator propose to the Executive Board ways in which other (non-core) contributions can contribute more to the support budget and other costs of the organization;

10. *Requests* that UNDP initiate the process of developing the next multi-year funding framework 2004-2007, taking into account decision 2002/8, and to include therein a pro-active resource mobilization strategy, from all sources, particularly for the regular (core) resources base.

26 September 2002

2002/17
UNDP special reserve for separations relating to UNOPS

The Executive Board

1. *Deplores* the late availability of document DP/2002/CRP.16 on the establishment of a United Nations Development Programme (UNDP) special reserve for separations relating to the United Nations Office for Project Services;

2. *Authorizes* the establishment of a special reserve of $1.5 million, which will be reported in the 2002-2003 UNDP-audited financial statements;

3. *Requests* the Administrator of UNDP to report back on these liabilities affecting UNDP during the first regular session of the Executive Board in January 2003.

27 September 2002

2002/18
Programming arrangements for the period 2004-2007

The Executive Board

1. *Takes note* of document DP/2002/28 on the programming arrangements for the period 2004-2007 which, in accordance with decision 2002/10, provides further clarifications on a number of proposals for possible improvements in the present programming arrangements as earlier elaborated in documents DP/2002/17 and DP/2002/WP.1;

2. *Reaffirms* the principles of eligibility of all recipient countries on the basis of the fundamental characteristics of the operational activities of the United Nations, which are, *inter alia*, universality, neutrality, multilateralism, the voluntary and grant nature of assistance and the capacity to respond to the needs of all recipient countries in accordance with their own policies and priorities for development; and in this context, *recognizes* the principles of the United Nations Development Programme activities, which include progressivity, impartiality, transparency and predictability of flow of resources for all recipient countries, in particular developing countries;

3. *Reconfirms* the annual funding target of $1.1 billion and *encourages* all countries to contribute to the attainment of this target;

4. *Confirms* that, within the context of the programming arrangements and related decisions, the amount of regular resources available for programming for any given year is the total amount of regular income for that year minus: (a) the amount allocated to the biennial support budget for that year; and (b) any other amount of regular income that has to be set aside as authorized by the Executive Board for other purposes than the programme lines of the programme financial framework as detailed in paragraphs 8 and 9 below;

I. Programme financial framework

5. *Decides* that the regular resources available for programming will be distributed in two steps: (a) provisions will be made for fixed amounts for specific programmes defined in paragraph 8; (b) the balance of resources will be allocated between variable country, global and regional programmes as defined in paragraph 9;

6. *Underlines* the importance of continued and close cooperation between UNDP and the specialized agencies and the need to make such a cooperation an integral part of all UNDP assisted programmes at the country and inter-country level in order to ensure that optimum use is made of the technical knowledge of the specialized agencies in areas of UNDP assistance;

7. *Decides* to reallocate the resources of the previous support for policy and programme development (SPPD) and support for technical services (STS) programme to both target for resource assignment from the core (TRAC) lines 1.1.1 and 1.1.2, as defined in paragraph 9, and the programme for support to the resident coordinator as defined in paragraph 8(c).

8. *Endorses* the proposal of the Administrator to ensure regular resource financing for the following UNDP functions by establishing fixed absolute amounts for selected programme lines/programme components of the programme financial framework as outlined in paragraphs 33 through 55 of document DP/2002/28:

(a) A fixed annual allocation of $5.3 million for the Human Development Report Office, a fixed annual allocation of $1.1 million for official development assistance and a fixed allocation of $4.5 million for the Economists programme;

(b) A fixed annual allocation of $6 million for the Development Support Services facility;

(c) A fixed annual allocation of $13.5 million for support to the resident coordinator;

(d) A fixed annual allocation of $2.5 million for the Evaluation Office;

(e) A fixed annual allocation of $3.5 million for technical cooperation among developing countries;

9. *Decides* that, after deduction of the fixed amounts as defined in paragraph 8, the resources available for programming will be distributed as follows:

(a) TRAC 1.1.1, and TRAC 1.1.2: 78.8 per cent of resources available for programming;

(b) TRAC 1.1.3: 7.2 per cent of resources available for programming;

(c) Regional programmes: 9 per cent;

(d) Global programmes: 5 per cent;

10. *Decides* that if the total of regular resources available for programming fall below $450 million, all fixed allocations will be reduced in direct proportion to the shortfall;

II. Distribution of TRAC line 1.1.1 and 1.1.2 resources

11. *Decides* that the existing programming arrangements, as outlined in Executive Board decisions 95/23, 98/19 and 99/2, will continue to be applied during 2004-2007, with the exception of the modifications outlined in the following paragraphs;

12. *Decides* on the following changes in the distribution methodology for TRAC line 1.1.1 resources:

(a) The existing formula will no longer be applied to two separate pools of resources based on a fixed predetermined share of resources for low income and middle-income countries;

(b) The Administrator should ensure that the share of TRAC line 1.1.1 and 1.1.2 resources allocated to low income countries should be in the range of 85 and 91 per cent of the total TRAC line 1.1.1 and 1.1.2 resources; the Administrator will revert back to the Executive Board for a review of the main parameters of the distribution formula in case the existing TRAC line 1.1.1 distribution formula, when applied to the total pool of available TRAC line 1.1.1 resources, would result in a calculated share of TRAC line 1.1.1 resources for low-income countries that would fall outside this range;

(c) The introduction of a minimum allocation of $350 000 for the calculated TRAC line 1.1.1 earmarkings for all non-net contributor countries (NCCs) with a UNDP country office and commensurate absolute floor earmarkings for the 8 multi-country offices, as detailed in paragraph 12 of DP/2002/28; if the total regular resources available for programming fall below $450 million, the concerned minimum amount of $350 000 will be reduced in direct proportion to the shortfall;

(d) Should a country, in spite of the increase of the TRAC line 1.1.1 programme, still undergo a reduction of its TRAC line 1.1.1 earmarking as a consequence of the introduction of the minimum amount of $350 000, the Administrator is requested to use the TRAC line 1.1.2. programme to compensate for this shortfall;

13. *Decides* that, in view of the extension of the programming period from three to four years, in accordance with decision 2002/10, there will be a mid-term recalculation of the TRAC line 1.1.1 earmarkings on the basis of the agreed distribution model. Such recalculation will be based on the latest World Bank Atlas gross national income (GNI) per capita and population data available at that time. For those countries for which no World Bank data are available, UNDP will continue to request that the United Nations Statistics Office provide it with estimates following the World Bank Atlas methodology. The recalculated TRAC line

1.1.1 earmarkings will replace the initial TRAC line 1.1.1 earmarkings for the remaining two years of the programming period;

14. *Decides* to introduce, effective 1 January 2004, a special arrangement for the recalculation of the TRAC line 1.1.1. earmarkings for NCCs that experience a drop of at least 25 per cent in their World Bank GNI per capita figure as compared to the GNI per capita on which its latest calculated TRAC line 1.1.1 earmarking has been based and fall below the threshold of $4 700. The concerned adjustments will be financed from the unallocated programme reserve;

15. *Decides* that for countries that will be classified as new NCCs on the basis of their 2001 GNI per capita data, the grace period during which they will continue to receive a TRAC line 1.1.1. earmarking will be four years so that, all other things remaining equal, it coincides with the duration of the programming period;

16. *Requests* that the Administrator submit to the Executive Board, in the framework of the results-oriented annual report, supplementary chapters on the activities undertaken and the results achieved under the regional and global programmes and the various programmes referred to in paragraph 8(a), (b) and (c) above;

17. *Also requests* that the Administrator submit to the Executive Board in 2007 a report with proposals for successor programming arrangements.

27 September 2002

2002/19
Annual report of the Administrator on evaluation, 2001

The Executive Board

1. *Takes note* of the annual report of the Administrator on evaluation 2001 (DP/2002/27);

2. *Reaffirms* the continued need to strengthen further, in an integrated fashion, the "culture of managing for results" within UNDP;

3. *Requests* that UNDP ensure transparency and impartiality of evaluations and to make sure that the evaluation process is conducted in a professional manner while also taking into account the views of all concerned actors;

4. *Endorses* the need to reinforce development effectiveness, which demands greater emphasis on measuring output, performance and enhancing accountability;

5. *Reiterates*, in the context of the evaluation function, the principles of universality and country-driven programming for the activities of UNDP;

6. *Recognizes* that it is necessary to take into consideration the diversity of situations that exist while drawing lessons at the global level for policy development;

7. *Stresses* that the common agenda of the follow-up of outcomes of major United Nations conferences and summits, including the Millennium development

goals, translates into a need for strengthening of the evaluation capacities at the national level;

8. *Encourages* UNDP to make use of the findings of the Evaluation Office to strengthen the comparative advantages of the organization at the global, regional and country level;

9. *Encourages* UNDP to ensure the full participation of the national authorities in drafting the terms of reference, the development of evaluation methodologies and indicators, and the selection of evaluation teams in all evaluation exercises conducted at the country level;

10. *Requests* that the Evaluation Office conduct strategic evaluations on corporate issues that are of high priority to the organization, taking into consideration key elements of the Administrator's Business Plans, 2000-2003, and r*equests* that the Executive Board be informed of possible subjects for such strategic evaluations during its first regular session 2003;

11. *Encourages* the Evaluation Office to explore the possibilities of participation with other relevant partners, *inter alia*, the Inter Agency Working Group on Evaluation and the Development Assistance Committee of the Organisation for Economic Co-operation and Development, including joint evaluations of a strategic nature.

27 September2002

2002/20
United Nations Development Fund for Women

The Executive Board

1. *Notes with appreciation* the results achieved by the United Nations Development Fund for Women in implementing its Strategy and Business Plan 2000-2003, as contained in document DP/2002/30;

2. *Recognizes* the continuing progress made by the United Nations Development Fund for Women in becoming the centre of excellence within the United Nations development system for promoting women's empowerment and gender equality, in line with its mandate as contained in General Assembly resolution 39/125, and, in this regard, urges greater representation of the United Nations Development Fund for Women in intergovernmental forums;

3. *Calls on* the United Nations Development Fund for Women and all relevant entities within the United Nations system to collaborate closely, within their respective mandates and comparative advantages, to achieve the common objective of gender-mainstreaming throughout the United Nations;

4. *Particularly encourages* the United Nations Development Fund for Women to work closely with the United Nations Development Group and the United Nations Development Programme to ensure that the gender dimensions of all the international development goals, including those contained in the Millennium Declaration, are recognized and incorporated into the operational activities of the United Nations system;

5. *Recalls* the annual report of the Administrator for 2001, including the results-oriented annual report (DP/2002/15), and, with reference to its decision 2002/8, *requests* that United Nations Development Fund for Women include in its Strategy and Business Plan 2004-2007 a strategy to help to address the shortcomings in gender-mainstreaming contained therein;

6. *Encourages* United Nations Development Fund for Women to take measures to enhance further coordination with programme countries in relation to its field activities;

7. *Notes with appreciation* the increased collaboration between the United Nations Development Fund for Women and the United Nations Development Programme and *encourages* the two organizations to strengthen this relationship in supporting the resident coordinator system, particularly through greater use of the expertise of the United Nations Development Fund for Women in areas of its comparative advantage;

8. *Reaffirms* the role of the United Nations Development Fund for Women in promoting gender-mainstreaming throughout the operational activities of the United Nations system, in the context of the resident coordinator system and in particular within the common country assessment and the national poverty alleviation strategies, including the poverty reduction strategy papers and the United Nations Development Assistance Framework processes.

27 September 2002

2002/21
United Nations Office for Project Services

The Executive Board

1. *Takes note* of the report on the implementation of the revised budget for 2002, revised budget estimates for the biennium 2002-2003, and report on the level of the operational reserve (DP/2002/33), report of the Advisory Committee on Administrative and Budgetary Questions on the revised budget estimates for the biennium 2002-2003 (DP/2002/34), report of the Executive Director on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001 (DP/2002/35 and Add.1 and Add.2);

2. *Reaffirms* the need for the United Nations Office for Project Services (UNOPS) as a separate, identifiable and self-financing entity to provide management and delivery of services to organizations of the United Nations system as contained in the note by the Secretary-General (DP/2002/CRP.5);

3. *Recalls* the commitment by the Secretary-General to encourage United Nations entities to work through UNOPS as contained in document DP/2002/CRP.5;

4. *Approves* the revised budget estimates 2002-2003 (DP/2002/33) and the UNOPS contingency plan 2002-2003 (DP/2002/35/Add.2);

5. *Requests* that the Executive Director of UNOPS, through the Management Coordination Committee (MCC), provide the Executive Board at its first regular session 2003 with a follow-up report on the implementation of the recommendations of the Board of Auditors for the biennium 2000-2001;

6. *Recalls* that the mandate of the MCC, defined in regulations 3.1 of the UNOPS Financial Regulations (annex to the Financial Regulations and Rules of UNDP contained in DP/1995/7/Add.1), is to provide operational guidance and management direction;

7. *Welcomes* the development of new executing partnerships with United Nations organizations and encourages the Executive Director, with the continued support of the MCC, to develop partnership arrangements further with other United Nations entities;

8. *Urges* UNOPS, as a self-financing entity, to evaluate the basis and calculation of the costs of its services with a view to ensuring that all costs are identified and recovered, and, in this regard, requests UNOPS to review with clients the feasibility of possible adjustments;

9. *Requests* that the Executive Director report to the Executive Board, through the MCC, on the implementation of the revised budget 2002, including changes in the level of the operational reserve, by 15 November 2002.

27 September 2002

2002/22
Independent review of the United Nations Office for Project Services

The Executive Board

1. *Decides* to organize an independent review of the business model of the United Nations Office for Project Services (UNOPS), its cost effectiveness and the scope for further expansion of business opportunities within the United Nations system;

2. *Decides* that the terms of reference are amended as in annex 1 below;

3. *Requests* that the Management Coordination Committee (MCC) and the Executive Director of UNOPS submit to the Executive Board a detailed budget, including relevant contractual and financial matters, as soon as possible;

4. *Calls on* all countries in a position to do so to consider, upon receipt of the detailed budget specified in paragraph 3, contributing towards the cost of the independent review;

5. *Decides* to review the status of the voluntary contributions towards the budget and the timing of the independent review during its first regular session in January 2003;

6. *Requests* receipt of the report of the review mission, including the comments by the Executive Director of UNOPS, through the MCC.

27 September 2002

Annex 1

Terms of reference for an independent review of the business model and related issues of the United Nations Office for Project Services

Context

1. The United Nations Office for Project Services (UNOPS) was created in 1994 by General Assembly resolution 48/501 as a separate and self-financing entity of the United Nations system, effective 1 January 1995, to act as a service provider to the organizations of the United Nations system (including the Bretton Woods institutions) with no policy mandate of its own.

2. UNOPS offers a broad range of services, from overall project management to the provision of single inputs. In responding flexibly to its clients' demands, UNOPS tailors services to their particular needs, applies methods for attaining cost-effective results and mobilizes diverse implementing partners.

3. At its annual session 2002, the Executive Board of the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) expressed concern that UNOPS administrative expenditure had not been aligned with its income in the last two years, resulting in an operating deficit of $5.6 million in 2001 and the progressive erosion of its operational reserve to $5 million by the end of 2001, a level in the operational reserve substantially below that required by decision 2001/14. Accordingly, the Executive Board decided to carry out an independent review of the business model of UNOPS, its cost effectiveness and the scope for further expansion of business opportunities for UNOPS within the United Nations system in order to establish a framework for a sustainable UNOPS.

4. The Executive Board requested that the Management Coordination Committee (MCC) and UNOPS submit to the Executive Board for review and approval at its second regular session in September 2002 the draft terms of reference and a timetable for this purpose.

Objective of review

5. The purpose of the review is to formulate a forward-looking strategy for the long-term growth and sustainability of UNOPS to enable it to evolve within the readily evolving market of the United Nations system, including the Bretton Woods institutions. The review will result in a series of recommendations and action-oriented proposals for:

(a) Aligning its cost and revenue structures and identifying areas of business expansion with cost-effective operating margins;

(b) The necessary organizational and financial structure.

Scope of review

6. The Secretary-General, in his note to the Executive Board (DP/2002/CRP.5), reaffirmed his support for the work of UNOPS while laying the ground for operational improvements. Document DP/2002/CRP.5, in conjunction, *inter alia*, with document DP/2002/CRP.4 and Executive Board decision 2002/2 of January 2002, provides the basis for this review. These documents also reiterated fundamental principles that do not require further review.

7. The review will focus on the business model, competitive environment and the governance structure of UNOPS. The review will therefore assess the potential market for UNOPS services, the competition, including other providers of similar services both within and outside the United Nations system; and the competitive advantage of UNOPS within that marketplace.

8. The review will include an analysis of the revenue and cost structures of UNOPS, its operating margins on products and services and its business processes and management tools at hand. Essential elements for consideration by the review include income projections methodology and application, competitiveness, cost-effectiveness and self-financing.

9. *Competitiveness*. In order to position UNOPS to compete successfully in the marketplace and thus to ensure its long-term financial viability, it will be necessary to assess the performance of UNOPS vis-à-vis currently accepted practice in international public procurement and project management. This will include a review of issues of cost-effectiveness, provision of value to the marketplace, income-projection methodology and application, openness in tendering procedures, transparency and accountability, which are central to current standards and best practices in project management and international public procurement. The review will also include an overview of the market for products and services currently offered or potentially available from UNOPS, for which there is a growing demand and for which UNOPS is able to provide quality service and cost-effective operating margins. The review should include an assessment of all possible clients within the United Nations who may have a need for such services. The review will also investigate the reasons for a loss of clients, if applicable.

10. *Cost-effectiveness*. The review should identify the extent to which revenue matches the costs of providing products or services. A review of the cost structure should include fixed and variable costs and identify scope for improved cost-effectiveness in terms of business processes and procedures, organizational structure, location and so forth.

11. *Self-financing*. This means providing accurate model(s) for measuring cost-recovery in a multi-year programme environment with operational surges and potential low periods. This should include an assessment of systems in place for monitoring and measuring costs and increasing efficiencies. Scenario-based projections of UNOPS finances and the impact on the operational reserve with details of assumptions behind the projections must be included. Systems, procedures and contractual modalities appropriate for a self-financing entity, which faces fluctuations in demand and which allows UNOPS to moderate volatility by adapting flexibly to operational peaks and troughs, should also be considered. A review of the United Nations regulations governing staff and the operations of UNOPS should be included with a view to identify rules and regulations that are more restrictive than those of private operations, thus affecting UNOPS competitiveness. Particular attention should be paid to the possibility of flexible-staffing arrangements, rules and procedures, which allow UNOPS to expand and contract its capacity rapidly in response to changing demand.

Approach

12. The review will take stock of the conclusions and recommendations of the already available decisions, reviews and evaluations.

13. Comparisons should be made with other United Nations, multilateral, bilateral public and private non-subsidized service providers in the areas of project management, including execution, implementation, supervision, loan administration, formulation, advisory and other services, with a view to identifying good practices in terms of flexible, effective and efficient business models and processes. The comparisons will also include an assessment of and recommendations on the division of labour within the United Nations system concerning procurement services.

Outputs

14. The review will build on prior reviews in that it would present a set of recommendations and action-oriented proposals for the strengthening of the UNOPS contribution to the United Nations system for the future. Such recommendations and action proposals may include:

(a) Positioning UNOPS in the United Nations system in order to bring to full fruition the benefits derived from the UNOPS business model;

(b) Mechanisms to enable UNOPS to adjust flexibly to fluctuations in demand through a more adaptable cost structure and efficient business processes;

(c) Identification of areas of potential business growth based on market demand and cost-effective operating margins;

(d) Tools required for change-management from an organizational perspective, including, *inter alia*:

(i) Financial: definition of self-financing, budget cycle and operational reserve(s), accounting systems;

(ii) Human: staffing model, incentives, accountability, management of administrative costs; and

(iii) Management: structure, oversight systems and reporting to the MCC and Executive Board, information technology needs in the immediate and longer term.

Logistics and budget

15. The review team will have access to all decisions, reviews, reports and documentation, including questionnaires and surveys and field mission reports from previous reviews and studies; thus avoiding the need for further comprehensive surveys. To supplement the desk material, the team will have full access to members of the Executive Board, the current and incoming Executive Director of UNOPS, UNOPS staff, clients, beneficiaries and partners. During the review, the team will liaise with the MCC, including the Executive Director.

16. The duration of the review is estimated at 90 days. The core team will be comprised of three experts in international public administration/service delivery with specific experience in public sector management, particularly accounting and restructuring of organizations. One of the team members should be intimately familiar with the development cooperation market within the United Nations system. The team should also have familiarity with peacekeeping and humanitarian activities of the United Nations system. The team should be able to draw on short-term consultancies, not to exceed 30 working days in total, of specialized expertise in

accounting or other disciplines as required. The total number of working days, therefore, is budgeted at 120, which would represent approximately $200,000.

17. The actual cost of the review will depend on team composition and overall approach to the review (inclusive or exclusive of field visits and so forth). No budgetary allocation is foreseen in the UNOPS budget approved by the Executive Board at its annual session 2002. Members of the Executive Board may wish to consider voluntary contributions to finance the review.

2002/23
Field visits

The Executive Board

1. *Thanks* the Government of Viet Nam for hosting the field visit of the Executive Board of the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA), with the participation of the Executive Board of the United Nations Children's Fund (UNICEF), that took place from 16 to 25 April 2002;

2. *Requests* that the Administrator of the United Nations Development Programme discuss, within the Executive Committee of the United Nations Development Group (UNDG), the possibilities of an integrated field visit in 2003;

3. *Requests* that the UNDP Administrator, in consultation with the UNDG Executive Committee, prepare a short report for the first regular session of the Executive Board of UNDP/UNFPA in 2003 on the consultations referred to in paragraph 2 above and on possible ways in which the Executive Board and representatives of UNDP, UNFPA, the United Nations Development Fund for Women, United Nations Capital Development Fund and United Nations Volunteers in the United Nations country teams could deepen their mutual understanding of how the United Nations operational activities could respond to development challenges and possible funding modalities.

27 September 2002

2002/24
UNFPA: Revised estimates for the biennial support budget for 2002-2003

The Executive Board

Having considered the revised estimates for the biennial support budget for 2002-2003 of the United Nations Population Fund (UNFPA), as contained in document DP/FPA/2002/9,

1. *Underscores* the indispensable role of UNFPA for the implementation of the Programme of Action of the International Conference on Population and Development (ICPD),[1] the five-year review of ICPD (ICPD+5)[2] and the Millennium Declaration;

[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994 (A/CONF.171/13/Rev.1, United Nations publication, sales no. E.95.XIII.18).

[2] General Assembly resolution A/RES/S-21/2, Key actions for the further implementation of the Programme of Action of the International Conference on Population and Development, adopted on 2 July 1999.

2. *Supports* further the transition process launched by the Executive Director in 2001 with a view to making UNFPA more effective, particularly at the field level; in this context, it welcomes the finalization of the UNFPA human resources strategy (DP/FPA/2002/11), as a key element of the transition process;

3. *Approves* gross appropriations in the amount of $155.2 million for the purposes indicated below and resolves that the income estimates of $20.1 million shall be used to offset the gross appropriations, resulting in estimated net appropriations of $135.1 million;

2002-2003 biennial support budget (revised)

(In thousands of United States dollars)

Programme support	
Country offices	76 027.3
Headquarters	31 571.8
Subtotal	**107 599.1**
Management and administration of the organization	47 597.0
Total gross appropriations	155 196.1
Less: Estimated income to the budget	(20 070.0)
Estimated net appropriations	**135 126.1**

4. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

5. *Authorizes* the Executive Director to:

(a) Set aside $10 million for the implementation of the Enterprise Resource Planning System;

(b) Expend $2 million towards staff separation costs resulting from the implementation of the country office typology;

6. *Requests* that the Executive Director exercise the highest possible prudence and transparency, in the light of the comments made in the Advisory Committee on Administrative and Budgetary Questions (ACABQ) report (DP/FPA/2002/10), while implementing the reclassification of posts;

7. *Requests* that the Executive Director ensure that, should it become necessary to implement the contingency plan presented in document DP/FPA/2002/9 total gross appropriations would be adjusted accordingly.

27 September 2002

2002/25
Brussels Programme of Action for the Least Developed Countries for the Decade 2001 to 2010

The Executive Board

1. *Welcomes* the endorsement of the Brussels Declaration (A/CONF.191/12) and the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/CONF.191/11) by the General Assembly in its resolution 55/279 of 12 July 2001;

2. *Recalls* the fundamental characteristics of the operational activities of the United Nations as contained in General Assembly resolution 56/201 of December 2001;

3. *Notes* the strong support given by the United Nations Population Fund to the least developed countries;

4. *Stresses* the need for continuing special attention by the United Nations Population Fund for the implementation of the Brussels Programme of Action;

5. *Invites* the Executive Director to mainstream the implementation of the Brussels Programme of Action in United Nations Population Fund activities within its programme of work, as called for in General Assembly resolution 56/227, paragraph 4, of 24 December 2001.

26 September 2002

2002/26
United Nations Capital Development Fund

The Executive Board

1. *Takes note with appreciation* of the results-oriented annual report of the United Nations Capital Development Fund (DP/2002/14);

2. *Recognizes* that the mission of the United Nations Capital Development Fund is consistent with the main objective of poverty reduction of the Millennium Declaration and relevant to the implementation of the Brussels Programme of Action for the Least Developed Countries adopted in 2001;

3. *Reaffirms* the unique role of the United Nations Capital Development Fund, within the international development financing architecture, as a small-scale multilateral investment organization mandated to support the development efforts of the least developed countries in its two areas of concentration: micro-finance and small-scale, decentralized public investments/local governance;

4. *Notes* that the regular (core) resources available to the United Nations Capital Development Fund fall far below the demand of programme countries, in particular the least developed countries, for its small-scale investments and capacity-building services in its two areas of concentration;

5. *Invites* the international community to help to achieve the United Nations Capital Development Fund regular (core) resources mobilization target of $30 million per year and *calls on* development partners, the United Nations system

and other multilateral organizations to extend their collaboration to United Nations Capital Development Fund in fulfilling its mandate.

27 September 2002

2002/27
Joint Executive Board meeting to be held in January 2003

The Executive Board

1. *Decides* to propose a two-day meeting in January 2003 of the joint Executive Boards of the United Nations Development Programme and the United Population Fund (UNDP/UNFPA), the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF);

2. *Requests* that the Bureau of the Executive Board of UNDP/UNFPA propose an agenda and communicate it to the Bureaux of the Executive Boards of UNICEF and WFP and *requests* that the Bureaux of the three Executive Boards finalize the agenda no later than 1 December 2002.

27 September 2002

2002/28
Overview of decisions adopted by the Executive Board at its second regular session 2002

The Executive Board

Recalls that during the second regular session 2002, it:

Item 1
Organizational matters

Approved the agenda and work plan for its second regular session 2002 (DP/2002/L.3 and Corr.1);

Approved the report on the annual session 2002 (DP/2002/24);

Approved the list of items to be taken up by the Executive Board in 2003 (DP/2002/CRP.14);

Agreed to the following schedule of sessions of the Executive Board in 2003:

First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York)
Second regular session 2003:	8-12 September 2003

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2002/16 of 26 September 2002 on the annual review of the financial situation 2001 for UNDP;

Took note of the report, Information on United Nations system technical cooperation expenditures, 2001 (DP/2002/26 and Add.1);

Took note of the report of the Inter-Agency Procurement Services Office for the biennium 2000-2001 (DP/2002/31);

Took note of the statistical report of the Inter-Agency Procurement Services Office (DP/2002/32);

Adopted decision 2002/17 of 27 September 2002 on the establishment of a UNDP special reserve for separations relating to UNOPS.

Item 3
Programming arrangements

Adopted decision 2002/18 of 27 September 2002 on the report on programming arrangements for the period 2004-2007;

Item 4
Evaluation

Adopted decision 2002/19 of 27 September 2002 on the annual report of the Administrator on evaluation;

Item 5
Country programmes and related matters

Took note of the report on assistance to Somalia (DP/2002/29);

Took note of the following country programme outlines and comments made thereon:

First country programme outline for Cape Verde	DP/CPO/CVI/1
First country programme outline for the Democratic Republic of the Congo	DP/CPO/DRC/1
First country programme outline for Bahrain	DP/CPO/BAH/1
First country programme outline for Jordan	DP/CPO/JOR/1
First country programme outline for the Libyan Arab Jamahiriya	DP/CPO/LIB/1
First country programme outline for East Timor	DP/CPO/ETM/1
First country programme outline for Maldives	DP/CPO/MDV/1
First country programme outline for Samoa	DP/CPO/SAM/1
First multi-country programme outline for Cook Islands, Niue and Tokelau	DP/MPO/CNT/1
First multi-country programme outline for the Pacific Island countries	DP/MPO/PIC/1

Approved the following country cooperation frameworks:

Second country cooperation framework for Egypt	DP/CCF/EGY/2
Second country cooperation framework for Sudan	DP/CCF/SUD/2
Second country cooperation framework for Argentina	DP/CCF/ARG/2
Second country cooperation framework for Colombia	DP/CCF/COL/2
Second country cooperation framework for Costa Rica	DP/CCF/COS/2

Second country cooperation framework for El Salvador	DP/CCF/ELS/2
Second country cooperation framework for Mexico	DP/CCF/MEX/2
Second country cooperation framework for Nicaragua	DP/CCF/NIC/2
Second country cooperation framework for Suriname	DP/CCF/SUR/2
Second country cooperation framework for Trinidad and Tobago	DP/CCF/TRI/2 and Corr.1

Took note of the extension of the country cooperation framework for Sierra Leone (DP/2002/37);

Took note of the oral report on assistance to Myanmar;

Item 6
United Nations Development Fund for Women

Adopted decision 2002/20 of 27 September 2002 on the report of the Executive Director of the United Nations Development Fund for Women;

Item 7
UNOPS: Financial, budgetary and administrative matters

Adopted decision 2002/21 of 27 September 2002 on the implementation of the UNOPS revised budget estimates for the biennium 2002-2003;

Adopted decision 2002/22 of 27 September 2002 on the UNOPS independent review.

Item 8
Field visits

Took note of the report on the field visit to Viet Nam (DP/2002/CRP.7);

Adopted decision 2002/23 of 27 September 2002 on field visits;

UNFPA segment

Item 9
Financial, budgetary and administrative matters

Adopted decision 2002/24 of 27 September 2002 on the revised estimates for the UNFPA biennial support budget for 2002-2003;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions on the revised estimates for the UNFPA biennial support budget for 2002-2003 (DP/FPA/2002/10);

Took note of the UNFPA annual financial review, 2001 (DP/FPA/2002/12);

Item 10
Human resources strategy

Adopted decision 2002/24 of 27 September 2002 on the revised estimates for the UNFPA biennial support budget for 2002-2003;

Item 11
Country programmes and related matters

Took note of the following country programme outlines:

Country programme outline for Botswana	DP/FPA/CPO/BWA/4
Country programme outline for Burundi	DP/FPA/CPO/BDI/5
Country programme outline for Comoros	DP/FPA/CPO/COM/4
Country programme outline for Guinea-Bissau	DP/FPA/CPO/GNB/4
Country programme outline for China	DP/FPA/CPO/CHN/5
Country programme outline for East Timor	DP/FPA/CPO/ETM/1
Country programme outline for Maldives	DP/FPA/CPO/MDV/3
Country programme outline for the South Pacific subregion	DP/FPA/CPO/PIC/3
Country programme outline for Colombia	DP/FPA/CPO/COL/4

Item 12
Other matters

I. Informal consultations and briefings

Held informal consultations on improving the working methods of the Executive Board;

Held a briefing on the Brussels Programme of Action for the Least Developed Countries by Mr. Anwarul K. Chowdhury, Under-Secretary-General and High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States;

Adopted decision 2002/25 of 26 September 2002 on the Brussels Programme of Action for the Least Developed Countries;

Held a briefing on the financial situation of the United Nations Capital Development Fund;

Adopted decision 2002/26 of 27 September 2002 on the financial situation of the United Nations Capital Development Fund;

II. Joint Executive Board meeting

Adopted decision 2002/27 of 27 September 2002 on the proposed agenda items for the joint Executive Boards meeting in January 2003.

Annex II

Membership of the Executive Board in 2002

(Term expires on the last day of the year indicated)

African States: Cape Verde (2005); Comoros (2004); Democratic Republic of the Congo (2003); Djibouti (2003); Gabon (2003); Mauritania (2003); Mozambique (2003); Tunisia (2005).

Asian and Pacific States: China (2003); India (2005) Iran (Islamic Republic of) (2003); Nepal (2005); Pakistan (2004); Philippines (2003); Yemen (2004).

Latin American and Caribbean States: Antigua and Barbuda (2004); Ecuador (2003); El Salvador (2005); Peru (2004); Uruguay (2005).

Eastern European States: Bulgaria (2003); Czech Republic (2004); Romania (2004); Russian Federation (2005).

Western European and other States: Australia (2005); Canada (2004); Finland (2003); France (2003); Germany (2003); Italy (2005); Japan (2005); Norway (2005); Sweden (2003); Switzerland (2004); United Kingdom (2004); United States (2004).

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